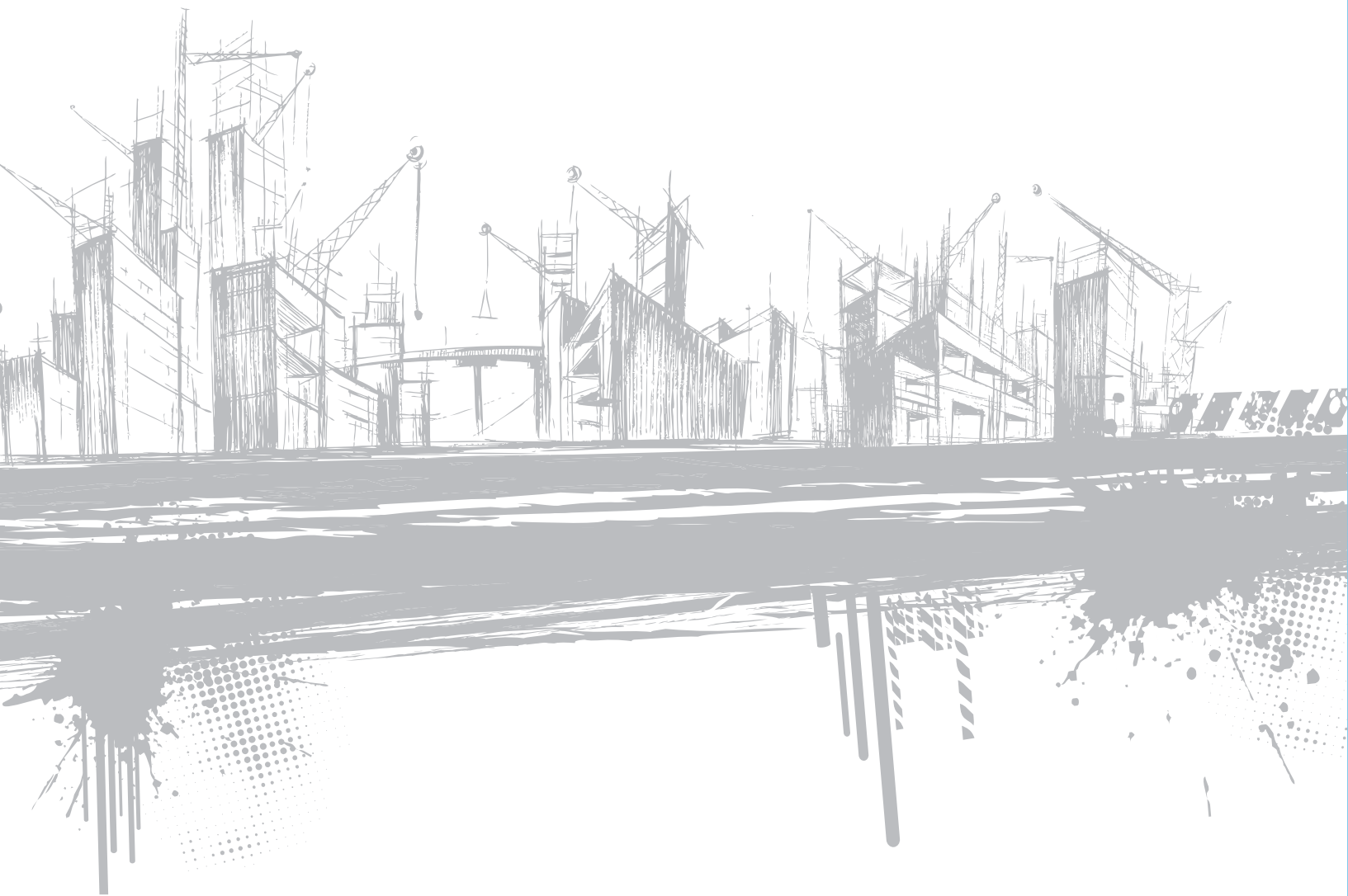


# Shankara

Building Products Limited



**ANNUAL REPORT 2021 - 2022**

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

**Mr. V. Ravichandar**  
Chairman, Independent Director

**Mr. Sukumar Srinivas**  
Managing Director

**Mr. B. Jayaraman**  
Independent Director

**Mr. Chandu Nair**  
Independent Director

**Ms. Jayashri Murali**  
Independent Director

**Mr. C. Ravikumar**  
Whole-Time Director

**Mr. RSV. Siva Prasad**  
Non-Executive and  
Non-Independent Director

### KEY MANAGERIAL PERSONNEL

**Ms. Ereena Vikram**  
Company Secretary and  
Compliance Officer

**Mr. Alex Varghese**  
Chief Financial Officer

### SECRETARIAL AUDITOR

**K. Jayachandran**  
Company Secretary  
No. 1181, 6th Main  
'A' Block, 2nd Stage  
(Next to Cafe Coffee Day)  
Rajajinagar  
Bengaluru - 560 010

### STATUTORY AUDITORS

**M/s Sundaram & Srinivasan**  
Chartered Accountants  
New No. 4, Old No. 23  
C.P Ramaswamy Road, Alwarpet  
Chennai - 600018

### INTERNAL AUDITORS

**M/s GRSM & Associates**  
Chartered Accountants  
No. 8/90, 1st Floor  
Pampa Mahakavi Road  
Shankarapuram  
Bengaluru - 560004

### BANKERS

Citibank NA.  
HDFC Bank Ltd.  
Standard Chartered Bank.  
Kotak Mahindra Bank Ltd.  
IDFC Bank Ltd.  
Federal Bank Ltd.

### REGISTERED OFFICE

G2, Farah Winsford  
133, Infantry Road  
Bengaluru - 560 001

### CORPORATE OFFICE

No.21/1 & 35-A-1  
Hosur Main Road  
Electronic City Post  
Veerasandra  
Bengaluru - 560100

CORPORATE IDENTITY NUMBER (CIN)  
**L26922KA1995PLC018990**

WEBSITE  
**[www.shankarabuildpro.com](http://www.shankarabuildpro.com)**

### REGISTRAR AND SHARE TRANSFER AGENT (RTA)

**M/s KFin Technologies Limited**  
Selenium Tower B, Plot Nos. 31 & 32  
Financial District, Nanakramguda,  
Serilingampally Mandal  
Hyderabad - 500 032, Telangana  
Toll Free: 1-800-309-4001  
E-mail: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)  
Website: <https://www.kfintech.com>



## Chairman's Message

Dear Shareholders,

It gives me immense pleasure to welcome you to our 27th Annual General Meeting of Shankara Building Products Limited. I hope you and your family are safe and healthy. We are hopefully emerging from possibly the most challenging period of our lives and I extend my heartfelt sympathies to all who have suffered during this calamity.

We are living in extraordinary times. Today, we have adjusted to a new normal of working from home, meeting online and generally relying on technology to help us overcome barriers and restrictions on our freedom of movement. Our best hope of resuming normal life and economic activity rests on our population getting vaccinated and we have taken all steps to have our employees and their families get vaccinated (including boosters) on a war footing.

### Financial year 2021 - 22

Notwithstanding the unprecedented challenges faced last year, your Company generated retail revenue of ₹1,408 Cr in FY22 which was 58.2 % of our total sales as against ₹1,184 Cr for FY21 recording a growth of 18.9% in retail sales. Our sales growth gained momentum with each passing quarter of the year. We are looking to leverage the strength of the brands we deal with to create customer pull for our stores.

The Channel segment continues to be a strategic business for the Company. It builds understanding of the markets and emerging trends. The Channel business recorded revenues of ₹505 Cr for FY 22 as compared to ₹422 Cr for FY 21, a growth of 20%. In the Enterprise segment, we cater to the requirements of large end users and OEMs. We generated revenue of ₹505 crores in FY 22, a growth of 16.7% over the previous year.

We run a chain of 90+ retail stores (as on 31st March, 2022) operating under the brand "Shankara Buildpro". We are increasing our focus on branding our stores and continuing with our customer outreach programme. The Company is continuously upgrading stores. The strategic consumer communication and campaigns helped in driving higher footfalls at the stores. The Company's focused approach helped to maintain working capital and cash flow position during FY22.

### Key Performance Highlights

- ☞ The overall revenue stood at ₹2,418 Cr for FY22 compared with FY21 of ₹2,038 Cr representing a 18.6% growth.
- ☞ 148% PAT growth in FY 22 compared with FY21 and 26% reduction in interest cost in FY22 as against FY21.
- ☞ Our retail segment EBITDA margins stood at 6.3 % in FY 22.
- ☞ Same store sales growth of 29% in FY 22.





(₹ in Crores)

Particulars	FY March, 22	FY March, 21
	<b>Consolidated</b>	
Revenue	2,418	2,038
Retail (%)	58%	58%
EBITDA	88	77
Margin	3.6%	3.8%
PBT	46	20
PAT	34	14
Margin	1.4%	0.7%

## Strategic Partnership

The Company pursuant to the approval of Shareholders and Board of Directors of the Company has allotted 14 lakh shares warrants convertible into equity shares for an offered price of ₹750 per warrant to APL Apollo Mart Limited (wholly owned subsidiary of APL Apollo Tubes Limited).

The key rationale for this strategic partnership are:

- ☞ It helps raise funds for growth that is aligned with Shankara's building business plans.
- ☞ Association to strengthen and ensure consistent supplies.
- ☞ Priority access to APL Apollo's new product launches.
- ☞ Value accretion to Shareholders through enhanced EPS & ROCE.

## People and Culture

The Company has dedicated teams that capably and successfully work on challenges of increasing customer demand. Your Company's work management system is transparent and performance-based. It strives to retain, develop and provide a better working environment for employees by creating an atmosphere of trust, competition, and challenge, thereby providing opportunities for personal and professional growth. We place utmost importance in hiring the right manpower and training.

## Towards the Community

Your Company is continuously following the provisions of Corporate Social Responsibility (CSR) under the Companies Act, 2013. The Company is committed towards healthcare infrastructure, education, environment sustainability, rehabilitating abandoned women and children. The Company's focus has always been to contribute to the sustainable development of society and environment. The Company has adopted two schools "Shankara Build Pro Boys Home" and Shankara Build Pro Girls Home" as a part of its continued philosophy of giving back to society. The Company has also contributed towards integrated water shed projects and Sustainable Livelihood through Community Based Farming Practices.



## Appreciation

I am grateful to all our stakeholders and partners for their support, my fellow Board members for their commitment and continued guidance, the management team and employees for diligently carrying forward the Company's vision and strategy.

I firmly believe that Shankara has the ability to seize opportunities which shall surely come our way. We shall continue to perform better and the management endeavors to take your Company to greater heights and emerge stronger in the years ahead.

**Best Wishes,**

**V. Ravichandar**  
Chairman



## Notice of 27<sup>th</sup> Annual General Meeting

Notice is hereby given that the Twenty-Seventh Annual General Meeting of Shankara Building Products Limited will be held on Friday, July 22, 2022 at 10.15 a.m. (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM.

### Ordinary Business:

**Item No.1- To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2022 together with the Reports of the Directors and Auditors thereon and the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2022 together with Report of Auditors thereon.**

To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company and to pass the following resolution as an **Ordinary resolution**:

**"RESOLVED THAT** the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2022 together with reports of the Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."

**"RESOLVED FURTHER THAT** the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022 together with the report of Auditors thereon laid before this meeting, be and are hereby considered and adopted."

**Item No. 2- To re-appoint Mr. RSV. Siva Prasad (DIN: 01247339) as a Director of the Company who retires by rotation.**

To re-appoint Mr. RSV. Siva Prasad (DIN: 01247339), who retires by rotation and being eligible, offers himself for re-appointment and to pass the following resolution as an **Ordinary resolution**:

**"RESOLVED THAT** pursuant to Section 152 of the Companies Act, 2013, Mr. RSV. Siva Prasad (DIN: 01247339), who retires by rotation at 27th Annual

General Meeting of the Company being eligible, offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

**RESOLVED FURTHER THAT** the Managing Director/Company Secretary of the Company be and are hereby authorized severally to complete necessary formalities as per the applicable provisions of the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015."

### Item No. 3- Declaration of Final Dividend

To declare a final dividend on equity shares for the financial year ended March 31, 2022 and to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** a final dividend at the rate of ₹1/- (Rupee One only) per equity share of ₹10/- (Rupees Ten only) each fully paid up of the Company be and is hereby declared for the financial year ended March 31, 2022 and that the same be paid as recommended by the Board of Directors of the Company for the financial year ended March 31, 2022.

**RESOLVED FURTHER THAT** the Managing Director/Company Secretary of the Company be and is hereby authorized to do all such acts, deeds and things as the Board may, in its absolute discretion, consider necessary, expedient or desirable in order to give effect to foregoing resolution."

### Special Business:

**Item No. 4- To approve increase in remuneration of Mr. Sukumar Srinivas (DIN: 01668064), Managing Director of the Company.**

To consider and if thought fit, to pass, the following as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (Act) and rules thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) or any statutory modification(s) or re-enactment(s)



thereof and subject to the provisions of the Article of Association of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, approval of the members be and is hereby accorded to the revision in remuneration of Mr. Sukumar Srinivas (DIN: 01668064), Managing Director of the Company on the terms & conditions as set out in the explanatory statement annexed to the Notice convening this Meeting.

**RESOLVED FURTHER THAT** notwithstanding anything contained in Section 197, 198 and Schedule V of the Companies Act, 2013 or any amendment/ re-enactment thereof, in the event of any loss or inadequacy of the profits during the financial year, the remuneration mentioned in the explanatory statement annexed to the Notice shall be paid as minimum remuneration.

**RESOLVED FURTHER THAT** the Managing Director/Company Secretary of the Company be and is hereby authorized to do all such acts, deeds and things as the Board may, in its absolute discretion, consider necessary, expedient or desirable in order to give effect to foregoing resolution.”

**Item No. 5-To approve increase in remuneration of Mr. C. Ravikumar (DIN: 01247347), Whole-time Director of the Company.**

To consider and if thought fit, to pass, the following as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (Act) and rules thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) or any statutory modification(s) or re-enactment(s) thereof and subject to the provisions of the Article of Association of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, approval of the members be and is hereby accorded to the revision in remuneration of Mr. C. Ravikumar (DIN: 01247347), Whole-time Director of the Company on the terms & conditions as set out in the explanatory statement annexed to the Notice convening this Meeting.

**RESOLVED FURTHER THAT** notwithstanding anything contained in Section 197, 198 and Schedule V of the Companies Act, 2013 or any amendment/ re-enactment thereof, in the event of any loss or inadequacy of the profits during the financial year, the remuneration mentioned in the explanatory statement annexed to the Notice shall be paid as minimum remuneration.

**RESOLVED FURTHER THAT** the Managing Director/Company Secretary of the Company be and is hereby authorized to do all such acts, deeds and things as the Board may, in its absolute discretion, consider necessary, expedient or desirable in order to give effect to foregoing resolution.”

**By Order of the Board**

**For Shankara Building Products Limited**

**Ereena Vikram**  
Company Secretary  
& Compliance Officer  
Membership No: A33459

**Place: Bengaluru**  
**Date: May 16, 2022**





## Notes:

1. This AGM is convened through Video Conferencing (“VC”)/Other Audio-Visual Means (“OAVM”) pursuant to General Circulars number 14/2020 dated 08.04.2020, 17/2020 dated 13.04.2020, 20/20 dated 05.05.2020, 28/2020 dated 17.08.2020, 02/2021 dated 13.01.2021, 19/2021 dated 08.12.2021, 21/2021 dated 14.12.2021 and 02/2022 dated 05.05.2022 issued by the Ministry of Corporate Affairs (MCA) and Circulars issued by the Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as ‘Circulars’), which allow the companies to hold AGMs through VC/ OAVM.

2. The explanatory statement pursuant to Section 102 of the Companies Act, 2013, setting out material facts under Item No.’s 2, 4 and 5 of the Notice of the 27th AGM (“Notice”), is annexed hereto.

3. In terms of the MCA and the SEBI Circulars, since the physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for the 27th AGM and hence the proxy form and attendance slip are not annexed to the Notice. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the Members may be appointed for the purpose of voting through remote e-voting, for participation in the 27th AGM through VC/OAVM facility and e-voting during the 27th AGM. Scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the 27th AGM on its behalf and to vote through e-voting or during the 27th AGM should be sent electronically through their registered email address to the Scrutinizer at [cs.skannan@gmail.com](mailto:cs.skannan@gmail.com) with a copy to [evoting@kfintech.com](mailto:evoting@kfintech.com) and [compliance@shankarabuildpro.com](mailto:compliance@shankarabuildpro.com)

4. Dividend for the financial year ended March 31, 2022, as recommended by the Board of Directors of the Company, if approved at the 27th AGM by the Shareholders, payment of such dividend will be made within 30 days from the date of the 27th AGM as under:

(i) Beneficial Owners in respect of shares held in dematerialized form as per the data as may be

made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on Thursday, July 14, 2022;

(ii) Shareholders in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on Thursday, July 14, 2022.

5. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (“ICSI”) and Regulation 44 of the SEBI (LODR) Regulations, 2015, read with the MCA Circulars and the SEBI Circulars, the Company is providing remote e-voting facility to its Members in respect of the business to be transacted at the 27th AGM and a facility for those Members participating in the 27th AGM, to cast vote through e-voting system during the 27th AGM. The voting rights of members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date of Thursday, July 14, 2022.

6. KFin Technologies Limited (“KFin”), the Registrar & Transfer Agents (RTA) of the Company, will be providing the facility for participation in the 27th AGM through VC/OAVM and e-voting during the 27th AGM. The procedure and instructions for participating in the 27th AGM through VC/OAVM and remote e-voting at the 27th AGM are provided as part of this Notice.

7. In line with the MCA Circulars and SEBI Circulars, the Notice of the 27th AGM will be available on the website of the Company [www.shankarabuildpro.com](http://www.shankarabuildpro.com) on the websites of BSE Limited at [www.bseindia.com](http://www.bseindia.com), the National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) and also on the website of KFin at <https://evoting.kfintech.com>.

8. Since the 27th AGM will be held through VC/OAVM, the Route Map is not annexed to this Notice.

9. Attendance of the Members participating in the 27th AGM through VC/OVAM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.



10. In case of joint holders attending the 27th AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

11. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available electronically for inspection by the Members on Friday, July 22, 2022.

12. At the 24th AGM of the Company held on June 25, 2019, the Members approved the appointment of M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai (Firm Registration Number 004207S ) as the Statutory Auditors of the Company to hold office from the conclusion of the said Meeting till the conclusion of the 29th Annual General Meeting. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 07, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors.

13. The Register of Members and Share Transfer Books will remain closed from Friday, 15th July, 2022 to Friday, 22nd July, 2022 (inclusive of both days) for the purpose of the AGM.

14. Members are requested to notify the Register and Share Transfer Agent – KFin Technologies Limited, Selenium Tower B, Plot 31- 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032, Telangana, of any change in their address(es) to enable the Company to address future communications to their correct addresses including dividend matters.

15. Non-resident Indian shareholders are requested to inform about the following immediately to the Company or its RTA or the concerned Depository Participant, as the case may be:-

a. Change in their residential status on return to India for permanent settlement.

b. Particulars of their bank account maintained in India with complete name, branch, account type,

account number, IFSC Code, MICR No. and address of the bank.

16. Pursuant to SEBI circular No: SEBI /HO /MIRSD /DOP1 /CIR /P/2018/73 dated April 20, 2018 and notification No. SEBI/ LAD-NRO/GN/2018/24 dated June 08, 2018, the members are requested to take necessary steps to dematerialize shares that are held in physical form, as transfer of shares held in physical form is no longer permitted.

17. Pursuant to Clause 2 (h) of the Companies (Significant Beneficial Owners) Amendment Rules, 2019, individuals who hold a right or entitlement directly in the Company are requested to intimate the Company through a declaration in Form BEN-1.

18. The Notice of the 27th AGM, Annual Report and instructions for e-voting are being sent only through electronic mode to all members whose email addresses are registered with the Company/ Depository Participant(s)/ RTA. For members who have not registered their email addresses, please refer Clauses 24 "Instructions to shareholders for participating in the AGM through VC/OAVM and for e-voting" to this Notice for detailed instructions for registration. To support the "Green Initiative", shareholders who have not registered their email addresses are requested to register the same with their DP's in case the shares are held in electronic form and with the RTA in case the shares are held by them in physical form.

19. Members are requested to note that dividends not encashed or remaining unclaimed for a period of 7 (seven) years from the date of transfer to the Company's Unpaid Dividend Account, shall be transferred, under Section 124 of the Companies Act, 2013, to the Investor Education and Protection Fund ("IEPF"), established under Section 125 of the Companies Act, 2013. Further, pursuant to the provisions of Section 124 of the Act and IEPF Rules, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.

20. The Members who are yet to encash the earlier dividend warrants are advised to send requests for duplicate dividend warrants in case they have not received/ not encashed the



Dividend Warrants for any of the above mentioned financial year(s) and/ or send for revalidation the un-encashed Dividend Warrants still held by them, to the RTA of the Company.

Updation of Members' details: The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Companies Act, 2013 requires the Company /Registrars and Share Transfer Agents to record additional details of Members, including their PAN details, email address, bank details for payment of dividend, etc.

Members holding shares in physical form are requested to furnish the above details to the Company or its Registrars and Share Transfer Agents. Members holding shares in electronic form are requested to furnish the details to their respective Depository Participant (DP).

21. Members may also note that the Notice of the 27th AGM and the Annual Report 2021-22 will be available on the Company's website under [www.shankarabuildpro.com](http://www.shankarabuildpro.com).

22. Additional information, pursuant to Regulation 36(3) of the SEBI (LODR) Regulations, 2015, in respect of the Director seeking appointment/reappointment at the 27th AGM, forms part of this Notice.

23. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are therefore, requested to submit the PAN to their Depository

Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to submit the PAN to the RTA, KFin.

#### **24. Instructions to the Members for attending the e-AGM through Video Conference:**

i. In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 (including amendments thereto) and Regulation 44 of the SEBI (LODR) Regulations, 2015, the Company is pleased to provide members, the facility to exercise their right to vote on resolutions proposed to be considered at the 27th AGM by electronic means through e-voting. The facility of casting the votes by the members using an electronic voting system for the 27th AGM ("remote e-voting/ e-voting") will be provided by KFin Technologies Limited ("KFin")

ii. Pursuant to the MCA Circulars and SEBI Circulars, in view of the prevailing situation, the Notice of the 27th AGM and the Annual Report for the year 2021-22 (including therein the Audited Financial Statements for year 2021-22), are being sent only by email to the Members who email addresses are registered with the Company / Depositories / RTA. Therefore, those shareholders who have not yet registered their email addresses are requested to get their email addresses registered with their DP or RTA for electronic and Physical folios respectively, in the manner stated below. For updation of dividend mandate, please send the details to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

Process for registration of email address for obtaining Annual Report (if not received by the Member) and/or obtaining user ID/ password for e-voting are stated as here under:

Physical Holding	Submit a request to KFin at <a href="https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx">https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx</a> providing Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) for registering email address on or before Thursday July 14, 2022.
Demat Holding	Please contact your Depository Participant (DP) and register your email address and bank account details in your demat account, as per the process advised by your DP.



iii. In light of the MCA Circulars, shareholders who have not registered their email addresses and in consequence, the Notice & Annual Report could not be serviced, may temporarily get their email addresses registered with the Company's RTA-KFin, by clicking the link: <https://ris.kfintech.com/clientservices/mobileereg/mobileemailreg.aspx> and follow the registration process. Post successful registration of the email address, the shareholder would get a soft copy of the Notice & Annual Report and the procedure for e-voting along with the User ID and Password to enable e-voting for the 27th AGM. If you are already registered with KFin for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

iv. It is clarified that for permanent registration of email address, the members are however requested to register their email address, in respect of electronic holdings with the Depository through the concerned Depository Participants and in respect of physical holdings with the Company's RTA, KFin Technologies Limited, Selenium, Tower B, Plot 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500 032, India, by following due procedure.

v. Those members who have already registered their email address are requested to keep their email addresses validated with their Depository Participants / the Company's RTA- KFin, to enable servicing of Notices / documents / Annual Reports and other communications electronically to their email address.

vi. The e-voting portal will open for voting on Tuesday, July 19, 2022 from 9:00 A.M. (IST) to Thursday, July 21, 2022 till 5:00 P.M. (IST), inclusive of both days. During this period, the members of the Company holding shares either in physical form or dematerialized form, as on the cut-off date of Thursday, July 14, 2022 may cast their vote electronically. The e-voting module will be disabled by KFin on Thursday, July 21, 2022, post 5.00 P.M. (IST). Once vote on a resolution is cast by the member, members shall not be allowed to change it subsequently or cast the vote again.

vii. Mr. S. Kannan (Membership No. FCS 6261) M/s. S. Kannan and Associates, Company Secretaries, has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

viii. A member may participate in the 27th AGM even after exercising his right to vote through remote e-voting, but shall not be allowed to vote again at the meeting.

ix. The Scrutinizer shall unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 2 working days of the conclusion of the 27th AGM, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him and declare the result of the voting forthwith.

x. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.shankarabuildpro.com](http://www.shankarabuildpro.com) and on the website of KFin <https://evoting.kfintech.com/> immediately after the declaration of result by the Chairman or a person authorized by him. The results shall also be immediately forwarded to the BSE Limited and the National Stock Exchange of India Limited, Mumbai.

xi. In case a person has become a Member of the Company after dispatch of the Notice but on or before the cut-of date for e-voting i.e. Thursday, July 14, 2022 he/she may obtain the User ID and Password in the manner stated below. Institutional/ Corporate shareholders may write to KFin at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).

**INSTRUCTION FOR REMOTE E-VOTING IS AS FOLLOWS:**

In case of Physical Shareholders & Non-Individual (Physical / Demat):

If the mobile number of the Member is registered against Folio No. /DP ID Client ID, the Member may send SMS: MYEPWD E-voting Event number + Folio No. (in case of physical shareholders) / DP ID Client ID (in case of Demat shareholders) to 9212993399.



Example for NSDL	MYEPWD IN12345612345678
Example for CDSL	MYEPWD 1402345612345678
Example for Physical	MYEPWD XXX1234567890

a. If email address or mobile number of the Member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com>, the Member may click “forgot password” and enter Folio No. / DP ID Client ID and PAN to generate a password.

b. Member may call KFin toll free number 1-800-3094-001 for all e-voting related matters.

c. Member may send an email request to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) for all e-voting related matters. If the member is already registered with KFin e-voting platform, then he can use his existing User ID and password for casting the vote through remote e-voting.

**The remote e-voting facility will be available during the following period:**

Commencement of remote e-voting: From 9:00 a.m. (IST) on Tuesday, July 19, 2022.

End of remote e-voting: At 5:00 p.m. (IST) on Thursday, July 21, 2022.

The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled/blocked by KFin upon expiry of aforesaid period. Once the vote on a resolution is cast by the Member(s), they shall not be allowed to change it subsequently or cast the vote again.

In case you are an individual shareholder, having shares in electronic / Demat mode then please refer to the e-voting procedure according to SEBI circular dated December 09, 2020.

**Login method for e-voting:**

As per the SEBI circular dated December 09, 2020 on e-voting facility provided by Listed Companies, Individual shareholders holding securities in Demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email address in their demat accounts in order to access e-voting facility.

NSDL	CDSL
<ol style="list-style-type: none"><li>1. User already registered for IDeAS facility: **<ol style="list-style-type: none"><li>i. URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a></li><li>ii. Click on the “Beneficial Owner” icon under ‘IDeAS’ section.</li><li>iii. On the new page, enter existing User ID and Password. Post successful authentication, click on “Access to e-voting”.</li><li>iv. Click on company name or e-voting service provider and you will be redirected to e-voting service provider website for casting the vote during the remote e-voting period.</li></ol></li></ol>	<ol style="list-style-type: none"><li>1. Existing user who have opted for Easi/Easiest **<ol style="list-style-type: none"><li>i. URL:<a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></li><li>ii. Click on New System Myeasi.</li><li>iii. Login with user ID and password.</li><li>iv. Option will be made available to reach e-voting page without any further authentication.</li><li>v. Click on e-voting service provider name to cast your vote.</li></ol></li></ol>





<b>NSDL</b>	<b>CDSL</b>
<p>2. User not registered for IDeAS e-Services</p> <p>i. To register click on link: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> (Select "Register Online for IDeAS"). or <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb / IdeasDirectReg.jsp</a></p> <p>ii. Proceed with completing the required fields. **(Post registration completion, follow the process as stated in point no.1 above)</p> <p>3. First time users can visit the e-voting website directly and follow the process below:</p> <p>i. URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a></p> <p>ii. Click on the icon "Login" which is available under 'Shareholder / Member' section.</p> <p>iii. Enter User ID (i.e. 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.</p> <p>iv. Post successful authentication, you will be redirected to NSDL Depository site where in you can see e-voting page.</p> <p>v. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period</p>	<p>2. User not registered for Easi/Easiest</p> <p>i. Option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>ii. Proceed with completing the required fields. **(Post registration is completed, follow the process as stated in point no.1 above)</p> <p>3. First time users can visit the e-voting website directly and follow the process below:</p> <p>i. URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a>.</p> <p>ii. Provide demat Account Number and PAN No.</p> <p>iii. System will authenticate user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account.</p> <p>iv. After successful authentication, user will be provided links for the respective Electronic Service Provider (ESP) where the e-voting is in progress.</p> <p>v. Click on company name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period.</p>

### **Individual Shareholders (holding securities in demat mode) login through their depository participants**

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. Once login, you will be able to see e-voting option. Please click on e-voting option and you will be redirected to NSDL/ CDSL Depository site after successful authentication. Click on Company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period.



### Important note:

Members who are unable to retrieve User ID/ Password are advised to use 'Forget User ID' and 'Forget Password' option available at above mentioned website.

Members facing any technical issue - NSDL	Members facing any technical issue - CDSL
Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no. : 1800 1020 990 and 1800 22 44 30	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 22- 23058542-43.

a. On successful login, the system will prompt the member to select the e-voting Event Number "EVENT" for "Shankara Building Products Limited".

b. On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date, Thursday, July 14, 2022 under "FOR / AGAINST" or alternatively, member may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR / AGAINST" taken together should not exceed their total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.

c. Members holding multiple folios / demat accounts shall choose the voting process separately for each of the folios/ demat accounts.

d. Voting must be done for each item of the Notice separately. In case members do not desire to cast their vote on any specific item, it will be treated as abstained.

e. Members may then cast their vote by selecting an appropriate option and click on "SUBMIT".

f. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once a member confirms, he/ she will not be allowed to modify. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

g. Upon confirmation, the message 'Vote cast successfully' will be displayed. Once you have confirmed your vote on the resolution, you cannot modify your vote.

h. Corporate/ Institutional Members (i.e. other than Individuals, HUF, NRI. Etc.) are also required to send scanned certified true copy (PDF/JPG

Format) of the Board Resolution/ Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at [cs.skannan@gmail.com](mailto:cs.skannan@gmail.com) with a copy to [evoting@kfintech.com](mailto:evoting@kfintech.com) and [compliance@shankarabuildpro.com](mailto:compliance@shankarabuildpro.com). The scanned image of the above mentioned documents should be in the naming format "Shankara Building Products Limited\_ EVENT NO."

xii. Shareholders will be provided with a facility to attend the Meeting through VC/OAVM provided by KFin. Shareholders may access the same by <https://emeetings.kfintech.com> and clicking "Video Conference" and access the Shareholders/ Members login by using the remote e-voting credentials. The link for Meeting will be available in Shareholder/ Members login where the EVENT and the name of the Company can be selected. Members who do not have User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the instructions mentioned in point xi.

xiii. The Members can join the 27th AGM Thirty minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.

xiv. Up to 1000 members will be able to join the 27th AGM on a first-come-first-served basis. However, this restriction shall not apply to large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.



xv. Shareholders are encouraged to join the 27th AGM through Laptops with Google Chrome for better experience. Further shareholders will be required to switch on Camera, if any, and hence use Internet with a good speed to avoid any disturbance during the meeting.

xvi. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

xvii. System requirements for best VC/OAVM experience:

Instrument Description	Instrument Description
Cell phone	Android 6.0+ Google Chrome28+ Mozilla Firefox 24+ (Chrome doesn't bolster screen sharing on Android). iOS 12.2+ Mobile Safari/WebKit (iOS 11+) (Safari Mobile doesn't bolster screen sharing on iOS)
ioS PC/ Desktop	Google Chrome (Best suggested) Firefox, Safari, Internet Explorer, Edge Microsoft Edge 12+ Google Chrome 28+ Mozilla Firefox, 22+ Safari 11+. Desktop should have outside mic and webcam introduced

**xviii. Voting at AGM held through VC/OAVM**

- a. Only those members/shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote earlier through remote e-voting are eligible to vote through e-voting during the AGM.
- b. Members who have voted through remote e-voting will be eligible to attend the AGM.
- c. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum of AGM under Section 103 of the Companies Act, 2013.
- d. Upon declaration by the Chairman about the commencement of e-voting at AGM, Members shall click on the "Vote" sign on the bottom corner of their video screen for voting at the AGM, which will take them to the 'Instapoll' page.
- e. Members to click on the "Instapoll" icon to reach the resolution page and follow the instructions to vote on the resolutions.
- f. The Company has opted to provide the same electronic voting system at the annual general meeting, as used during remote e-voting and the said facility shall be operational till all the resolutions proposed in the AGM notice are

considered and voted upon at the meeting but not exceeding 30 minutes from the commencement of e-voting as declared by the Chairman at the AGM and can be used for voting only by those Members who hold shares as on the cut-off date viz. Thursday, July 14, 2022 and who are attending the meeting and who have not already cast their vote(s) through remote e-voting.

**xix. Speaker Registration during Meeting session:**

- a. Members, who would like to express their views or ask questions during the AGM will have to register themselves as a speaker by visiting the URL <https://emeetings.kfintech.com> and clicking on the tab 'Speaker Registration' and mentioning their registered email id, mobile number and city, during the period starting from Wednesday, July 20, 2022 at 10:00 A.M. (IST) and will close on Thursday, July 21, 2022 at 10:00 A.M. (IST). Only those members who have registered themselves as a speaker will be allowed to express their views/ask questions during the AGM and the maximum time per speaker will be restricted to 3 minutes.
- b. Members who want to get their pre-recorded video uploaded for display during the AGM of the



Company, can also upload the same by visiting <https://emeetings.kfintech.com> and uploading their video in the 'Speaker Registration' tab, during Wednesday, July 20, 2022 to Thursday, July 21, 2022, subject to the condition that size of such video should be less than 50 MB.

c. The Company reserves the right to restrict the number of speakers and display of videos uploaded by the Members depending on the availability of time for the AGM. Please note that questions of only those Members will be entertained/considered who are holding shares of Company as on the cut-off date viz Thursday, July 14, 2022.

d. A video guide assisting the members attending AGM either as a speaker or participant is available for quick reference at URL <https://emeetings.kfintech.com/video/howitworks.aspx>.

e. Members who need technical or other assistance before or during the AGM can contact KFin by sending email at [emeetings@kfintech.com](mailto:emeetings@kfintech.com) or Helpline: 1800 309 4001 (toll free). For any other kind of support/assistance related to the AGM, members can also contact KFin Technologies Limited at 1800 309 4001.

#### **xx. Post your Question:**

The Members who wish to post their questions prior to the meeting can do the same by visiting <https://emeetings.kfintech.com>. Please login through the user id and password provided in the mail received from KFin. On successful login, select 'Post Your Question' option which will be opened from Wednesday, July 20, 2022 at 10 A.M (IST) to Thursday, July 21, 2022 at 10.00 A.M (IST).

xxi. In case of any queries related to e-voting/ participation in the AGM, you may refer to the Frequently Asked Questions (FAQ's) and e-voting user manual available in the "Downloads" section of <https://evoting.kfintech.com/> or contact KFin Technologies Limited at 1800 309 4001 (Toll Free).

#### **Statement setting out Material Facts under Section 102 of the Companies Act, 2013**

##### **Item No. 2**

Mr. RSV. Siva Prasad (DIN: 01247339) is a Science Graduate from Andhra University and a Masters' Degree in science in Zoology from the Bhopal

University. He also holds a Diploma in Business Management from the Rajendran Prasad Institute of Communication Studies, Bombay. He has been associated with the Company since 1995, having joined as a senior manager, and has total 39 years of experience in the field of sales. Prior to joining our Company, he was associated with Shivmoni Steel Tubes Limited.

#### **Committee Chairmanship & Membership: Nil**

#### **Shareholding in the Company:**

As on the date of notice, Mr. RSV. Siva Prasad holds 55,150 equity shares in the Company.

He is not related to any Director or Key Managerial Personnel of the Company. None of the Directors or Key Managerial Personnel of the Company or their relatives, except Mr. RSV. Siva Prasad is, directly or indirectly concerned or interested, financially or otherwise, to the extent of his shareholding, if any, in the Company.

The Board recommends the Ordinary Resolution set forth in the Item No. 2 of the Notice for approval of the members.

#### **Item No. 4**

Mr. Sukumar Srinivas (DIN:01668064), was re-appointed as Managing Director of the Company by the Board at its Meeting held on 29th January, 2021 for a period of five years from April 1, 2021. The same was subsequently approved by the members at the Annual General Meeting on 29th July, 2021.

Based on the recommendation of Nomination and Remuneration Committee (NRC), the Board of Directors (hereinafter referred to as 'the Board') at its meeting held on May 16, 2022 considered and approved the remuneration as mentioned below, with powers to the Board to make such variation or increase therein as may be thought fit from time to time, but within the ceiling/s laid down in the Companies Act, 2013 or any statutory amendment or relaxation thereof.

#### **a. Salary:**

Salary of ₹1,31,94,720/- (Rupees One Crore Thirty One Lakh Ninety Four Thousand Seven Hundred and Twenty only) per annum.

**b. Perquisites and Allowances:**

- i. Contribution to Provident Fund not exceeding 12% of the salary.
- ii. Gratuity as per the rules of the Company.
- iii. Any other terms and conditions as per the employment agreement between the Company and Mr. Sukumar Srinivas.  
(The perquisites and allowances are included in the above mentioned salary).

**c. Minimum remuneration:**

In the event of any loss or inadequacy of the profits during the financial year, the remuneration mentioned above shall be paid as minimum remuneration.

d. The remuneration package is well within the overall limit prescribed under Schedule V to the Companies Act, 2013, which permits the company to pay overall managerial remuneration upto 10% of net profit to Managing director/ Whole Time Director/Manager in any financial year with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and remuneration as it may deem fit and as may be acceptable to Mr. Sukumar Srinivas, subject to the same not exceeding the limits specified under Section 197, Schedule V to the Companies Act, 2013 or such other limits as may be prescribed from time to time or any statutory modification(s) or re-enactment thereof;

In view of the provisions of Section 196, 197 and Section 203 and any other applicable provisions of the Companies Act, 2013, the Board of Directors recommends the Special Resolution set out at Item No. 4 of the accompanying Notice for the approval of the Members.

Except Mr. Sukumar Srinivas, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4.

**Item No. 5**

Mr. C. Ravikumar (DIN:01247347), was re-appointed as Whole-time Director of the Company by the Board at its Meeting held on 29th January, 2021 for

a period of five years from April 1, 2021. The same was subsequently approved by the members at the Annual General Meeting on 29th July, 2021.

Based on the recommendation of Nomination and Remuneration Committee (NRC), the Board of Directors (hereinafter referred to as 'the Board') at its meeting held on May 16, 2022 considered and approved the remuneration as mentioned below, with powers to the Board to make such variation or increase therein as may be thought fit from time to time, but within the ceiling/s laid down in the Companies Act, 2013 or any statutory amendment or relaxation thereof.

**a. Salary:**

Salary of ₹61,72,803/- (Rupees Sixty One Lakh Seventy Two Thousand Eight Hundred and Three only) per annum.

**b. Perquisites and Allowances:**

- i. Contribution to Provident Fund not exceeding 12% of the salary.
- ii. Gratuity as per the rules of the Company.
- iii. Any other terms and conditions as per the employment agreement between the Company and Mr. C. Ravikumar.  
(The perquisites and allowances are included in the above mentioned salary).

**c. Minimum remuneration:**

In the event of any loss or inadequacy of the profits during the financial year, the remuneration mentioned above shall be paid as minimum remuneration.

d. The remuneration package is well within the overall limit prescribed under Schedule V to the Companies Act, 2013, which permits the company to pay overall managerial remuneration upto 10% of net profit to Managing director/ Whole Time Director/Manager in any financial year with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and remuneration as it may deem fit and as may be acceptable to Mr. C. Ravikumar, subject to the same not exceeding the limits specified under Section 197, Schedule V to the Companies Act, 2013 or such other limits as





may be prescribed from time to time or any statutory modification(s) or re-enactment thereof;

In view of the provisions of Section 196, 197 and Section 203 and any other applicable provisions of the Companies Act, 2013, the Board of Directors recommends the Special Resolution set out at Item No. 5 of the accompanying Notice for the approval of the Members.

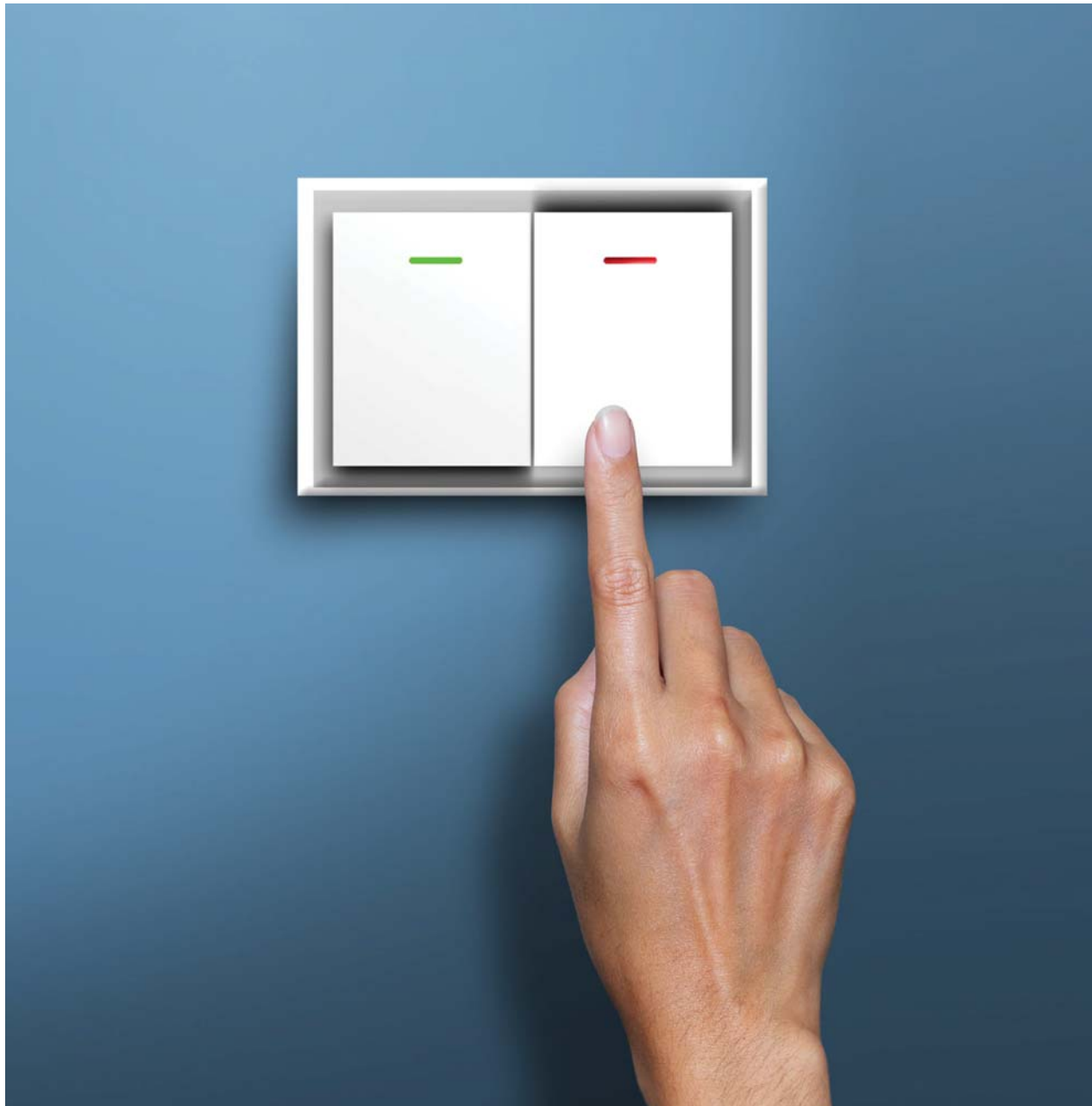
Except Mr. C. Ravikumar, none of the Directors and Key Managerial Personnel of the Company and

their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

**By Order of the Board  
For Shankara Building Products Limited**

**Ereena Vikram  
Company Secretary & Compliance Officer  
Membership No: A33459**

**Place: Bengaluru  
Date: May 16, 2022**





## Annexure to the Notice

### DETAILS OF DIRECTOR SEEKING APPOINTMENT/ RE-APPOINTMENT IN 27th ANNUAL GENERAL MEETING

(Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India)

Name of Director	Mr. RSV. Siva Prasad
Date of Birth	01.10.1957
Date of first appointment on Board	01.10.2009
Brief Profile/Experience/ Expertise/Skills in specific functional area	<p>He has been associated with our Company since 1995, having joined as a Senior Manager. He was appointed as a director of our Company in 2001 and have experience in Product Planning, SKUs monitoring and Operations.</p> <p>Prior to joining our Company, he was associated with Shivmoni Steel Tubes Limited in 1982.</p>
Qualifications	<p>Mr. RSV. Siva Prasad is a Science Graduate from Andhra University and a Masters' Degree in science in Zoology from the Bhopal University. He also holds a Diploma in Business Management from the Rajendran Prasad Institute of Communication Studies, Bombay.</p>
Terms and conditions of appointment/ re-appointment	As per appointment letter.
Details of remuneration sought to be paid	Nil
Remuneration last drawn by such person, if applicable	Sitting Fee
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Not inter se related to any other Director or Key Managerial Personnel.
Number of Meetings of the Board attended during the year	6
Directorship held in other companies	Taurus Value Steel & Pipes Private Limited, Telangana
Membership/ Chairmanship of committees of other companies*	Nil
Shareholding in the Company	55,150

\* The Companies in which the Director holds position of Director as on the date of meeting and is a member of that Company's Audit Committee/Stakeholders committee is taken into consideration. Companies include listed as well as unlisted entities.



**Statement containing additional information as required in Schedule V of the Companies Act, 2013:**

**Mr. Sukumar Srinivas, Promoter and Managing Director**

**a. General Information**

**1. Nature of industry:**

Shankara Building Products Limited is a leading organized retailer of home improvement and

building products in India, Operating under the brand name '**Shankara Buildpro**'.

**2. Date or expected date or of commencement of Commercial production:**

The Company has commenced its commercial operations in the year 1995.

**3. Financial performance based on given indicators:**

**As per Audited Standalone Financial results:**

(₹ in Crores)

Particulars	2021-22	2020-21
Total revenue	2,331.15	1,962.89
Total expenses	2,294.86	1,949.42
Profit before tax	36.29	13.97
Profit after tax	27.24	9.98

**4. Foreign investments or Collaborations:**

There are no foreign investments or collaborations in existence as on March 31, 2022.

**b. Information about the appointee:**

**1. Background details:**

Mr. Sukumar Srinivas is 61 years of age and is a Commerce Graduate University of Madras, and a Post Graduate Diploma in Business Management from the Indian Institute of Management, Ahmedabad.

**2. Past remuneration:**

The remuneration of Mr. Sukumar Srinivas has been approved by the Members at the 26th Annual General Meeting of the Company approved a total remuneration of ₹1,25,66,400/- (Rupees One Crore Twenty Five Lakh Sixty Six Thousand and Four Hundred only). However considering the financial position of the Company, Mr. Sukumar Srinivas voluntarily offered to take a pay cut in Financial Year 2021-22. He has been paid a remuneration of ₹31, 41,600/- (Rupees Thirty One Lakh Forty One Thousand and Six Hundred Only).

**3. Recognition or awards:**

During his tenure as the Managing Director, the company had bagged many prestigious awards like:

- a. Exxaro- Best Sales in all Products in 2021-22.
- b. Orientbell-Simplu Unstoppable in FY 2021-22.
- c. Jaquar Group-Highest Value Growth Shower Enclosures-Platinum Category FY 2018-19.
- d. Parryware- Best Retail Management in FY 2019.
- e. Star Performer (II) – Karnataka and Andhra Pradesh for ERW Pipes and Tubes by Jindal Pipes Limited and Maharashtra Seamless Limited.
- f. Kamdhenu Steel- Best Channel Partner Award.

**4. Job profile and his suitability:**

Mr. Sukumar Srinivas is a Promoter and Managing Director of our Company. He has been associated with our Company since incorporation and has 39 years of experience in the building products industry. Under the leadership of Mr. Sukumar Srinivas, the Company has achieved various milestones and enhanced the stakeholder's value.

**5. Remuneration proposed:**

As stated in the Explanatory Statement at Item No. 4 of this Notice.

**6. Comparative remuneration:**

Mr. Sukumar Srinivas has as served on the Board of the Company since inception. His strategic directions have led the Company from its profile of the nascent stage and have propelled its growth. He has streamlined the business process operations of the Company and has been the strategic management personnel. The proposed remuneration of Mr. Sukumar Srinivas is in line with the industry levels and is commensurate with the size of the Company and nature of its business.

**7. Pecuniary relationship directly or indirectly with the company, or relation with the managerial personnel, if any:**

Apart from the remuneration paid to the Managing Director as stated above and their respective shareholding held directly or indirectly in the Company, Mr. Sukumar Srinivas do not have any pecuniary relationship directly or indirectly with the company, or relation with the managerial personnel.

**As per Audited Standalone Financial results:**

(₹ in Crores)

Particulars	2021-22	2020-21
Total revenue	2,331.15	1,962.89
Total expenses	2,294.86	1,949.42
Profit before tax	36.29	13.97
Profit after tax	27.24	9.98

**4. Foreign investments or Collaborations:**

There are no foreign investments or collaborations in existence as on March 31, 2022.

**b. Information about the appointee:****1. Background details:**

Mr. C. Ravikumar is 56 years of age and is a science graduate from Bangalore University.

**8. Other Information:****Reasons for loss or inadequate profits, steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms:**

Due to Covid-19 pandemic, the financial performance was affected in Q1 FY 22. However the Management through effective cost control has achieved good financial year ending March 31, 2022.

**Mr. C. Ravikumar, Whole-time Director****a. General Information****1. Nature of industry:**

Shankara Building Products Limited is a leading organized retailer of home improvement and building products in India, Operating under the brand name '**Shankara Buildpro**'.

**2. Date or expected date or of commencement of Commercial production:**

The Company has commenced its commercial operations in the year 1995.

**3. Financial performance based on given indicators:****2. Past remuneration:**

The remuneration of Mr. C. Ravikumar has been approved by the Members at the 26th Annual General Meeting of the Company. He has been paid a remuneration of ₹58,35,155/- (Rupees Fifty Eight Lakh Thirty Five Thousand One Hundred and Fifty Five Only).



### 3. Recognition or awards:

Mr. C. Ravikumar played a vital role as the Whole-time Director. During his tenure the Company has bagged many prestigious awards like:-

- a. Qutone Innovation & More- Outstanding Channel Partner for the year 2022-23.
- b. Johnson- Best Emerging Dealer in Bangalore in FY 2015-16.
- c. Tata Steel Tubes SBU 'Star Performer – Irrigation' Award by in FY 2012.
- d. Astral -Certificate of excellence for winning a place in the Platinum Tier in FY 2009.

### 4. Job profile and his suitability:

Mr. C. Ravikumar is a Whole-time Director of our Company. He has been associated with our Company since 1995, having joined as a senior manager. He has 35 years of experience in the steel pipes and building products industry. He is currently a member of the Karnataka Pipe Dealers Association.

### 5. Remuneration proposed:

As stated in the Explanatory Statement at Item No. 5 of this Notice.

### 6. Comparative remuneration:

Mr. C. Ravikumar has as served on the Board of the Company since 2011. The proposed remuneration of Mr. C. Ravikumar is in line with the industry levels and is commensurate with the size of the Company and nature of its business.

### 7. Pecuniary relationship directly or indirectly with the company, or relation with the managerial personnel, if any:

Apart from the remuneration paid to the Whole-time Director as stated above and their respective shareholding held directly or indirectly in the Company, Mr. C. Ravikumar do not have any pecuniary relationship directly or indirectly with the company, or relation with the managerial personnel.

### 8. Other Information:

#### Reasons for loss or inadequate profits, steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms:

Due to Covid-19 pandemic, the financial performance was affected in Q1 FY 22. However the Management is confident to achieve financial performance in the forthcoming years.

**By Order of the Board  
For Shankara Building Products Limited**

**Ereena Vikram  
Company Secretary & Compliance Officer  
Membership No: A33459**

**Place: Bengaluru  
Date: May 16, 2022**



**Dear Members,**

The Board of Directors are pleased to present the 27th Annual Report of Shankara Building Products Limited ("the Company") on business and operations along with the Audited Financial Statements (Standalone and Consolidated) for the financial year ended March 31, 2022.

**1. Financial Performance**

The Standalone and Consolidated Financial statements of the Company for the financial year ended March 31, 2022, have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as notified by the Ministry of Corporate Affairs and as amended from time to time.

The Company recorded consolidated revenues of ₹2,418.40 crores for the year ended 31 March, 2022 representing a growth of (19 %) over the previous year. The Company recorded a consolidated EBITDA of ₹87.67 crores and the EBITDA margins stood at 3.6 %. The PAT is at ₹34.32 crores.

The Standalone revenues of the Company stood at ₹ 2,328.75 crores for the year ended 31 March, 2022. The standalone PAT stood at ₹27.24 crores.

**Key highlights of Financial performance of your Company for the financial year 2021-22 are provided below:**

(₹ in Crores)

Particulars	Consolidated		Standalone	
	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2022	Year Ended March 31, 2021
Revenue from Operations	2,418.40	2,038.37	2,328.75	1,957.24
Other Income	3.10	6.22	2.40	5.65
<b>Total Income</b>	<b>2,421.50</b>	<b>2,044.59</b>	<b>2,331.15</b>	<b>1,962.89</b>
Other Expenditure	2,333.83	1,967.39	2,263.03	1,910.29
<b>Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)</b>	<b>87.67</b>	<b>77.20</b>	<b>68.12</b>	<b>52.60</b>
Depreciation and Amortization Expenses	17.24	23.98	10.72	17.38
Finance Cost	24.37	33.08	21.11	21.75
Profit Before exceptional items and tax	46.06	20.14	36.29	13.47
Exceptional Items	-	-	-	0.50
<b>Profit before Tax (PBT)</b>	<b>46.06</b>	<b>20.14</b>	<b>36.29</b>	<b>13.97</b>
Tax expense:				
Current Year	10.82	8.01	8.11	4.62
Earlier Year	(0.01)	(0.53)	-	(0.54)
Deferred Tax	0.93	(1.19)	0.94	(0.09)
<b>Profit after Tax (PAT)</b>	<b>34.32</b>	<b>13.85</b>	<b>9.05</b>	<b>9.98</b>
Add: Other Comprehensive Income	(0.03)	0.34	0.06	0.37
<b>Total Comprehensive Income</b>	<b>34.29</b>	<b>14.19</b>	<b>27.30</b>	<b>10.35</b>



(₹ in Crores)

Particulars	Consolidated		Standalone	
	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>EARNING PER EQUITY SHARE (Face Value of ₹10 each)</b>				
i) Basic	15.02	6.06	11.92	4.37
ii) Diluted	15.02	6.06	11.92	4.37

## 2. Covid-19 and its Impact

The Directors have been periodically reviewing with the Management, the impact of Covid-19 on the Business operations of the Company. The situation created by Covid-19 in the last two years has somewhat abated. However the Management continues to monitor the situation and is prepared to take any action that could arise due to any future waves of Covid in the best interest of all stakeholders of the Company.

## 3. Share Capital

The paid-up Equity Share Capital of the Company as on March 31, 2022 is 2,284.93 Lakhs comprising of 2,28,49,326 equity shares of ₹10 each.

During the year under review, your Company proposed issuing 14,00,000 (Fourteen Lakh) Warrants, each carrying a Right to subscribe to one Equity Share per Warrant, at a price of ₹750/- per Warrant ("Warrant Price"), aggregating to ₹105,00,00,000/- (Rupees One Hundred and Five Crore) to APL Apollo Mart Limited ("Acquirer"), a wholly owned subsidiary of APL Apollo Tubes Limited.

## 4. Subsidiary Companies

Shankara Building Products Limited has the following wholly owned subsidiary companies:

(i) Vishal Precision Steel Tubes & Strips Private Limited – Has a tube & cold rolled strip processing facility at Bengaluru.

(ii) Centurywells Roofing India Private Limited – primarily engaged in providing color coated roofing products. It has processing facilities in Bengaluru, Chennai, Coimbatore, Davangere, Hubli, Mysore, Mangalore, Pune, Secunderabad and Vijayawada.

(iii) Taurus Value Steel & Pipes Private Limited - Has a tube processing facility at Hyderabad.

(iv) Steel Network (Holdings) Pte. Limited – Registered at Singapore with a stated purpose of engaging in the business of manufacture, distribution of roofing sheets, steel pipes and general hardware and general wholesale trade (including general importers & exporters).

No new subsidiary was added and no company has ceased to be a Shankara Building Products Limited subsidiary during FY 2021-22.

Pursuant to the provisions of section 129(3) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of the Company's subsidiaries in Form AOC-1 is annexed as **Annexure - I** to this report.

In compliance with section 136 of the Companies Act, 2013, the Financial Statements of the Subsidiaries are available on the website of the Company and also will be made available upon the request by any member of the Company.

The Company has adopted a policy for determining "Material Subsidiary" in terms of Regulation 16 (c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which can be viewed on the Company's website at <https://www.shankarabuildpro.com/pdf/pdf-Material-Subsidiaries.pdf>.

## 5. Transfers to reserves

The Company has not transferred / appropriated any amount to the General Reserve during the year ended March 31, 2022.



## 6. Dividend

The Board of Directors subject to the approval of the Members of the Company at the ensuing Annual General Meeting, recommends a dividend of ₹1.00/- (Rupees One) per fully paid up equity share of ₹10 (Rupees Ten) each of the Company for the year ended March 31, 2022.

Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"), the Board has approved and adopted a Dividend Distribution Policy. The policy details various considerations based on which the Board may recommend or declare Dividend. The Dividend Distribution policy is available on the Company's website at <https://www.shankarabuildpro.com/pdf/pdf-Dividend-Distribution-Policy.pdf>.

## 7. Preferential Warrants

Pursuant to the approval of the Board of Directors on 24th March, 2022 and approval of shareholders through special resolution dated 20th April, 2022 passed in Extra-Ordinary General Meeting, your company has on 7th May, 2022 allotted 14,00,000 (Fourteen Lakh) Warrants, each carrying a right to subscribe to one Equity Share per Warrant, at a price of ₹750/- (Rupees Seven Hundred and Fifty) per Warrant ("Warrant Price"), aggregating to ₹105,00,00,000/- (Rupees One Hundred and Five Crore) to APL Apollo Mart Limited ("Acquirer"), wholly owned subsidiary of APL Apollo Tubes Limited, an entity which presently does not qualify as a promoter or member of the promoter group of the Company, by way of a preferential allotment on a preferential basis.

## 8. Particulars of Loans, Advances, Guarantees or Investments

Loans, Advances, Guarantees or Investments covered under Section 186 of the Companies Act, 2013 and Schedule V of the Listing Regulations, disclosure on particulars relating to Loans, Advances, Guarantees or Investments form part of the Notes to the financial statements provided in this Directors' Report.

## 9. Material changes and commitment, if any, affecting financial position of the Company from the end of the financial year till the date of this Report

There has been no material change and commitment, affecting the financial performance of the Company which occurred between the end of the Financial Year of the Company to which the financial statements relate and the date of this Report, except for the impact arising out of COVID-19.

## 10. Unclaimed Dividend

Section 124 of the Companies Act 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2016 ('the Rules') mandates the Companies to transfer dividend that has remained unpaid/unclaimed for a period of seven years in the unpaid dividend account to the Investor Education and Protection Fund (IEPF).

The details of the unpaid/unclaimed dividend lying with the Company are available on the website of the company i.e. [www.shankarabuildpro.com](http://www.shankarabuildpro.com).

Transfer of Unpaid and Unclaimed Amounts to Investor Education and Protection Fund ("IEPF")

### a) Transfer of Unclaimed Dividend to IEPF

Pursuant to the provisions of Section 124 of Companies Act, 2013 read with IEPF (Accounting, Audit, Transfer and Refund) Rules 2016, dividends which remain unpaid or unclaimed for a period of seven years from the date of its transfer to unpaid dividend account are required to be transferred by the Company to Investor Education and Protection Fund ("IEPF") established by the Government of India under the provisions of Section 125 of the Companies Act, 2013.

During the year under review, there is no unclaimed dividend required to be transferred to the Account of IEPF.

### b) Transfer of Shares to IEPF

Section 124(6) of Companies Act, 2013, read with IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016, mandates transfer of underlying



shares in respect of which dividend has not been paid or claimed for seven consecutive years or more in the name of Investor Education and Protection Fund.

During the year under review, the Company is not required to transfer shares to the IEPF Authority pursuant to the aforesaid rule.

## 11. Auditors and Audit Reports

**(i) Statutory Auditor:** In terms of the provisions of section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, M/s. Sundaram & Srinivasan, Chartered Accountants (Firm Registration No.004207S), have been appointed as Statutory Auditors of the Company to hold office from the conclusion of 24th Annual General Meeting till the conclusion of 29th Annual General Meeting to be held during calendar year 2024.

In accordance with the amendment to the provisions of Section 139 by the Companies Amendment Act 2017, notified on May 7, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified by the Members at every Annual General Meeting.

**(ii) Secretarial Auditor:** Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules thereunder, Mr. K. Jayachandran, Practicing Company Secretary (ACS No. 11309 and Certificate of Practice No. 4031) was appointed as the Secretarial Auditor of the Company.

The Secretarial Audit Report for FY 2021-22 of the Company is appended as **Annexure - II** to the Directors' Report.

The Annual Secretarial Compliance Report of the Company for FY 2021-22 signed by Mr. K. Jayachandran, Practicing Company Secretary is appended as **Annexure - III** to the Directors' Report.

Pursuant to provisions of the Section 143(12) of the Companies Act, 2013, neither the Statutory Auditors nor the Secretarial Auditor has reported any incident of fraud to the Audit Committee and Risk Management Committee during the year under review.

## 12. Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made

### (i) Statutory Auditor's report

The Auditors Report to the shareholders for the year under review does not contain any reservation, qualification, or adverse remark. The comments in the Auditors' Report to the shareholders for the year under review are self-explanatory and does not need further explanation.

### (ii) Secretarial Auditor's Report

The Secretarial Audit Report does not contain any reservation, qualification or adverse remark, which calls for any further explanation.

## 13. Particulars of Remuneration to Directors and Key Managerial Personnel

The Nomination and Remuneration Policy of the Company for appointment and remuneration of the Directors, Key Managerial Personnel and Senior Management of the Company along with other related matters have been provided in Corporate Governance Report.

The Company has framed and adopted a policy on Nomination and Remuneration of Directors, Key Managerial Personnel and other employees of the Company in line with the provisions of section 178 of the Companies Act, 2013 and Part D of Schedule II of SEBI (LODR) Regulations, 2015. The Policy is available on the website at <https://www.shankarabuildpro.com/pdf/pdf-No-minination-Remuneration-Policy.pdf>

It is affirmed that the appointment and remuneration of Directors, Key Managerial Personnel and all other employees during the year ended March 31, 2022 is in accordance with the Nomination and Remuneration Policy of the Company.

A Statement of Disclosure of Remuneration pursuant to Section 197(12) of the Act read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is given in **Annexure - IV** forming part of this Directors' Report.



#### 14. Particulars of Remuneration to Employees

The details of remuneration to Employees, as required under Rule 5(2) read with Rule 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended are given in **Annexure - V** and form part of this Report.

#### 15. Corporate Social Responsibility

In compliance with the provisions of Section 135 of the Companies Act, 2013, the Board has formed a Corporate Social Responsibility Committee which monitors and oversees various CSR initiatives and activities of the Company. The Company's CSR Policy is available on the website at <https://www.shankarabuildpro.com/pdf/pdf-CSR-Policy.pdf>.

During the year under review, the Company primarily extended its support to the projects in the areas of promoting education, healthcare and communities, supporting primary education, environment sustainability, rehabilitating abandoned women and children. The Chief Financial Officer of the Company has furnished a "Certificate" to the Management that the funds disbursed has been utilized and in the manner approved by the Board of the Company.

The brief outline of the Corporate Social Responsibility (CSR) policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in **Annexure - VI** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

During the year 2021-22, the Company has spent ₹52.14 Lakhs during the year under review.

The Company believes in spending on such activities which really benefit the targeted beneficiaries. During the year under review, the Company, while continuing to support its ongoing projects, has associated itself with few new projects to expand its CSR initiatives in a systematic manner.

The Company is continuously extending its effort for making contributions to various socially useful projects and is confident of meeting the statutory requirement in the coming financial year.

#### 16. Management Discussion and Analysis Report

In terms of regulation 34 of the Listing Regulations, the Management Discussion and Analysis Report on your Company's performance, industry trends and other material changes with respect to your Company and its subsidiaries, wherever applicable, are forming part of this Directors' Report as **Annexure -VII**.

#### 17. Extract of Annual Return

Pursuant to the provisions of Section 36 of the Companies (Amendment) Act, 2017 notified effective from July 31, 2018 read with Section 92(3) of the Companies Act, 2013, the extract of the Annual Return in the prescribed form i. e Form MGT-7 is placed on the Company's website at <https://www.shankarabuildpro.com/financials.html#voting>.

#### 18. Key Consolidated Balance sheet information

The Consolidated Financial Statements of the Company and its Subsidiaries for the financial year ended March 31, 2022 prepared in compliance with the Indian Accounting Standards notified under Section 133 the Companies Act, 2013, Section 129(3) of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, together with Auditors' Report thereon form part of this Annual Report.

#### 19. Capital Expenditure on tangible assets

This year, on a standalone basis, the Company incurred a capital expenditure of ₹17.56 Crores (Gross) as against ₹6.84 Crores (Gross) in the previous year.

On a consolidated basis, the capital expenditure stood at ₹20.72 Crores (Gross) for FY 2022 as against ₹14.44 Crores (Gross) for the previous year.

#### 20. Change in the nature of Business

The Company continues to be in the business of organized retailers of home improvements and building products and there has been no change in the nature of business of the Company or any of its subsidiaries during the year under review.





## 21. Credit Ratings

CRISIL has assigned the Long Term Rating 'BBB+/Stable' and Short Term Rating 'CRISIL A2' on the bank loan facilities of the Company.

## 22. Directors & Key Managerial Personnel

### A. Composition and size of the Board

The Board has an optimum combination of Executive, Non-Executive and Independent Directors. The total strength of the Board as on the date of reporting is seven Directors, of which four are Independent Directors and one is Non-Executive and Non-Independent Director. The composition of the Board of Directors is in due compliance of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### B. Retirement by Rotation

Mr. RSV. Siva Prasad (DIN : 01247339), is liable to retire by rotation in terms of provisions of the Companies Act, 2013 at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment. The Board recommends his re-appointment for the approval of the Members.

As stipulated under Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 brief resume of the director proposed to be re-appointed is given in the Notice of the Annual General Meeting.

### C. Appointments and Re-appointments

At the 26th Annual General Meeting (AGM) held on 29th July, 2021, the shareholders of the Company approved the following:

1. Re-appointment of Mr. Sukumar Srinivas (DIN: 01668064) as the Managing Director of the Company for a period of 5 years from April 1, 2021.
2. Reappointment of Mr. C. Ravikumar (DIN: 01247347) as the Whole-time Director of the Company for a period of 5 years from April 1, 2021.

Pursuant to the provisions of section 203 of the Act, the key managerial personnel of the Company are - Mr. Sukumar Srinivas, Promoter and Managing Director, Mr. Alex Varghese, Chief Financial Officer and Ms. Ereena Vikram, Company Secretary and Compliance Officer.

## 23. Declaration by Independent Directors

The Company has received necessary declaration from all the Independent Directors of the Company under the provisions of the Companies Act, 2013 that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (LODR) Regulations, 2015.

## 24. Board and Committee Meetings

The Board met six times viz. 30th April, 2021, 10th June, 2021, 9th August, 2021, 8th November, 2021, 2nd February, 2022 and 24th March, 2022 and also had one meeting of Independent Directors. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013. The details of the composition of the Board and its Committees and the number of meetings held and attendance of Directors at such meetings are provided in the Corporate Governance Report, which forms part of the Annual Report.

## 25. Audit Committee

The Audit Committee of the Board, currently headed by an Independent Director as Chairman. The Audit Committee meets at regular intervals to discharge its terms of reference effectively and efficiently. During the year under review, there were no instances where the recommendations of the Audit Committee were not accepted by the Board. A detailed note on the composition, role and functions of the Audit Committee are disclosed in the Report on Corporate Governance, which forms part of this Report.

## 26. Directors Responsibility Statements under Section 134 of the Companies Act, 2013

Pursuant to the requirement under Section 134 of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- i. in the preparation of the Annual Accounts of the Company, both Standalone and Consolidated, for the year ended March 31, 2022, the applicable accounting standards read with requirements set out under Schedule III to the Companies Act 2013, have been followed and that there are no material departures from the same.



ii. the Directors have selected such accounting policies and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the profit for the year ended on that date;

iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. the Annual Accounts for the year ended March 31, 2022 have been prepared on a going concern basis;

v. adequate internal financial controls have been laid down and such controls are operating effectively;

vi. proper and adequate systems to ensure compliance with the provisions of all applicable laws have been devised and such systems are operating efficiently; and

vii. there are no instances of frauds involving the officers or employees of the Company reported by the Auditor under section 143(12) of the Act during the year ended March 31, 2022.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants, including audit of internal financial controls over financial reporting by the statutory auditors, and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2021-22.

### 27. Human Resource

As of March 31, 2022 we have 730 employees on the payroll of the Company and 158 employees on the payroll of Subsidiaries. The following table sets forth the break-up function wise of employees of the Company:

Sr. No	Departments	No.of Employees
1.	Sales and Marketing	336
2.	Finance, Accounts and Administration	249
3.	Supply Chain	145
	<b>Total</b>	<b>730</b>

In addition to the employees listed above, we also engage contract labour to facilitate our processing operations. As of March 31, 2022, we engaged 118 contract workers in our Company and 49 contract workers in subsidiaries Company. Our Company is in compliance with the Contract Labour (Regulation and Abolition) Act, 1970, and the rules prescribed thereunder in this regard.

### 28. Information Technology

We have implemented a company-wide ERP system. This system is used to manage and co-ordinate all resources, information and functions of the business on a real-time basis. The ERP system helps in integration of different functional areas to ensure proper communication, productivity, quality and efficiency in decision making. It further helps in tracking customer demands and assisting in maintaining optimum inventory levels. We have a

dedicated IT team which is involved in maintaining the ERP system.

### 29. Annual Evaluation of Board Performance and Performance of its Committee and of Directors

Pursuant to the applicable provisions of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015, annual evaluation of the performance of the Board, the Directors individually as well as the evaluation of the



working of its various committees has been carried out through a structured questionnaire covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board Culture, Execution and Performance of specific duties, obligations, independence, governance, ethics and values, adherence to corporate governance norms, attendance and contribution at meetings etc. Performance Evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

The evaluation process has been explained in the Corporate Governance Report, which forms part of this Annual Report.

### **30. Particulars of contracts or arrangements made with related parties**

During the financial year ended 31 March, 2022, all the contracts or arrangements or transactions entered into by the Company with the related parties were in the ordinary course of business and on arm's length basis and are in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations. The particulars of such transactions with related parties have been disclosed at note no. 47 in the Standalone and Consolidated Financial Statements as required under Ind AS 24- Related Party Disclosures and as specified under section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended.

There were no materially significant Related Party Transactions made by the Company during the year that required shareholders' approval under Regulation 23 of the Listing Regulations or which may have a potential conflict with the interests of the Company during the financial year.

During the year, there were no contracts or arrangements or transactions entered into with the related parties other than at arm's length price. Accordingly, there were no transactions during the year ended March 31, 2022 required to be reported in Form AOC-2 of the Companies (Accounts) Rules, 2014.

The Company has adopted a Policy for dealing with the transactions with related parties in line

with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, which is available on the Company's website at <https://www.shankarabuildpro.com/pdf/PDF-Policy%20on%20Criteria.pdf>.

### **31. Corporate Governance and Shareholders' Information**

Pursuant to Regulation 34 of the Listing Regulations, a report on Corporate Governance for the financial year 2021-22 forms an integral part of this report. The requisite certificate from a Practicing Company Secretary confirming compliance with the mandatory requirements relating to corporate governance as stipulated under the Listing Regulations is attached to the report on Corporate Governance.

### **32. Risk Management**

The Company continuously identifies the risks that it faces such as strategic, financial, liquidity, legal, regulatory and other risks and assesses and evaluates the same in line with the overall business objectives, functioning and growth of the Company.

The Risk Management Policy can be accessed on the Company's website i.e. <https://www.shankarabuildpro.com/pdf/Risk%20Management%20Policy.pdf>.

The details of risk management framework have been explained in the Management's Discussion and Analysis Report which is provided as an **Annexure - VII** to this report.

### **33. Internal Financial Control and its Adequacy**

The Company has in place an adequate internal financial control system with reference to financial statements and such internal financial controls are operating effectively and no deficiencies have been observed during the year under review.

The Company's internal control systems are well established and commensurate with the nature of its business. The Audit Committee reviews the adequacy and effectiveness of the Company's internal control system.



### 34. Whistle Blower/Vigil Mechanism

The Company has adopted a Whistle Blower Policy to provide formal mechanism to the directors and employees to deal with the instances of unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct.

The whistle blower policy of the Company is disclosed on our website i.e., <https://www.shankarabuildpro.com/pdf/pdf-Whistleblower-Policy.pdf>.

### 35. Code of Conduct

A declaration regarding compliance with the code of conduct signed by the Company's Managing Director is published in the Corporate Governance Report which forms part of the Annual Report.

### 36. Policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace

The Company has a Policy for "Prevention and Prohibition of Sexual Harassment of Women at Workplace" in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 which aims to provide protection to employees at workplace with the objective of providing a safe working environment. The Company has constituted an Internal Complaints Committee to redress complaints regarding sexual harassment.

During the year under review, no complaint of sexual harassment has been reported.

### 37. Deposits

The Company has not accepted any deposits covered under Chapter V of Companies Act, 2013 and also any other deposit which is not in compliance with the requirements of Chapter V of the Companies Act, 2013.

### 38. Compliance with Secretarial Standards

During the year under review, the Company has complied with all the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

### 39. Disclosure requirements

As per SEBI Listing Regulations, Corporate Governance Report with Auditors' Certificate thereon and Management Discussion and Analysis are attached, which form part of this report.

### 40. Conservation of energy, technology absorption, foreign exchange earnings and outgo Conservation of energy:

The information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo stipulated under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules 2014 are enclosed in the **Annexure - VIII** to the Directors' report.

### Technology absorption, adaptation and innovation:

The Company continues to use the latest technologies for improving the productivity and quality of its services and products. The Company's operations do not require significant import of technology.

### Foreign Exchange earnings and outgo

There was no Foreign Exchange inflow from our wholly owned subsidiary, Steel Network Holdings Pte Limited in Singapore to Shankara Building Products Limited to during the year.

### 41. Reporting of frauds

There were no instances of frauds during the year under review, which required the Statutory Auditors to report to the Audit Committee and/or Board under Section 143 (12) of the Act and the rules made thereunder.

### 42. Significant and Material Orders passed by the Courts/Regulators

There are no significant and material orders were passed by the regulators or courts or tribunals on the Company impacting the going concern status of the Company and Company's operations in future.

### 43. Other disclosures

(i) **Details of equity shares with differential rights**



The Company has not issued any equity shares with differential rights during the year.

**(ii) Details of sweat equity shares issued**

The Company has not issued any sweat equity shares during the year.

**(iii) Buy Back of Securities**

The Company has not bought back any of its securities during the year under review.

**(iv) Bonus Shares**

No Bonus Shares were issued during the year under review.

**(v) The details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof :** Not applicable.

**(vi)** There are no applications made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year.

### Acknowledgement

We express our sincere appreciation and thank our valued shareholders, employees, clients, vendors, investors, bankers and other business associates for their co-operation and continued support to the Company.

We appreciate the value and contributions made by every member of Shankara family.

**For and on behalf of the Board of Directors**

**Sd/-  
Sukumar Srinivas  
Managing Director  
DIN: 01668064**

**Sd/-  
C. Ravikumar  
Whole-time Director  
DIN: 01247347**

**Place: Bengaluru  
Date : May 16, 2022**



**Annexure-I to the Directors' Report****FORM AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

(₹ in Crores)

Sl. No	Name of the Subsidiary	Reporting Currency	Share Capital	Reserve & Surplus	Total Assets	Total Liabilities	Investments	% of Holding	Sales & Other Income	Profit before Taxation	Provision for taxation	Profit after Tax	Proposed Dividend
	1	2	3	4	5	6	7	8	9	10	11	12	13
1	Taurus Value Steel & Pipes Pvt. Ltd	Rupees	1.51	101.59	116.30	13.20	-	100%	68.73	3.15	0.97	2.18	Nil
2	Vishal Precision Steel Tubes & Strips Pvt. Ltd	Rupees	3.50	67.53	149.04	78.01	-	100%	399.01	3.53	0.95	2.59	Nil
3	Century Wells Roofing India Pvt. Ltd	Rupees	2.00	27.00	76.62	47.62	-	100%	191.55	2.93	0.77	2.16	Nil
4	Steel Network Holdings Pte Limited	USD*	0.48	(0.39)	0.17	0.08	-	100%	0.00	(0.09)	Nil	(0.09)	Nil

\* USD in lakhs

**For Shankara Building Products Limited****Sukumar Srinivas****Managing Director****DIN: 01668064****Place: Bengaluru****Date: May 16, 2022**



**Annexure-II to the Directors' Report****Form No. MR-3****SECRETARIAL AUDIT REPORT FOR  
THE FINANCIAL YEAR ENDED  
31ST MARCH, 2022**

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

**To,  
The Members,  
SHANKARA BUILDING PRODUCTS LIMITED  
G-2, Farah Winsford, No.133, Infantry Road,  
Bangalore – 560001, Karnataka**

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SHANKARA BUILDING PRODUCTS LIMITED having CIN: L26922KA1995PLC018990 (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts and statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its Officers, Agents and Authorized Representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the Audit Period covering the Financial Year ended on 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company for the Financial Year ended on 31st March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (was not applicable to the Company during the period under review)
  - (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (was not applicable to the Company during the period under review)
  - (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (f) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (g) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (was not applicable to the Company during the period under review)





- (i) The Securities and Exchange Board of India (Buyback of Securities), Regulations, 2018; (was not applicable to the Company during the period under review) and
- (j) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; (was not applicable to the Company during the period under review).

(vi) There were no specific Laws, Norms and Directions applicable to the Company except Labour Laws.

I have also examined compliance with the applicable clauses of the following:

- (i) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited;
- (ii) Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above.

**I further report that:**

Based on the information provided by the Company, its Officers and Authorized Representatives, during the conduct of the Audit and also on the review of the Details, Records, Documents and Papers provided, in my opinion, adequate systems and processes and control mechanism exists in the Company to monitor and to ensure compliance with applicable General Laws like Labour Laws, Competition Law and Environmental Law.

The compliance of applicable Financial Laws, like direct and indirect tax laws, have not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Women Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices were given to all the Directors to schedule the Board Meetings, Agenda and detailed Notes on Agenda were sent at least Seven Days in advance and Independent Director was present wherein the Board meetings were held at a shorter notice to transact urgent matters and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions were carried unanimously and there were no dissenting views.

There were adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the audit period:

1. The Company has given Corporate Guarantee to Banks on account of various credit facilities availed by the wholly owned subsidiary companies.
2. The Company has entered in to related party transactions during the Financial Year and has considered all the related party transactions are on arm's length basis in the ordinary course of business.
3. The Board of Directors of the Company has approved to offer, issue and allot up to 14,00,000 (Fourteen Lakh) Warrants at a price of ₹750/- (Rupees Seven Hundred and Fifty Only) per Warrant aggregating to ₹105,00,00,000/- (Rupees One Hundred and Five Crore) convertible into Equity Shares of face value of ₹10/- each on preferential allotment basis to APL Apollo Mart Limited, wholly owned subsidiary of APL Apollo Tubes Limited.

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

**K. Jayachandran**  
**Company Secretary**  
**ACS No.: 11309/CP No.: 4031**  
**UDIN: A011309C000441453**  
**Peer Review No: 784/2020**

**Place: Bengaluru**  
**Date: May 16, 2022**



## Annexure - A

To,  
The Members,  
SHANKARA BUILDING PRODUCTS LIMITED  
G-2, Farah Winsford, No.133, Infantry Road,  
Bangalore - 560001

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books

of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**K. Jayachandran**  
Company Secretary  
ACS No.: 11309/CP No.: 4031  
UDIN: A011309D000325183  
Peer Review No: 784/2020

Place: Bengaluru  
Date: May 16, 2022

## Annexure-III to the Directors' Report ANNUAL SECRETARIAL COMPLIANCE REPORT OF SHANKARA BUILDING PRODUCTS LIMITED FOR THE YEAR ENDED 31ST MARCH, 2022

To,  
The Board of Directors,  
SHANKARA BUILDING PRODUCTS LIMITED  
G-2, Farah Winsford, No.133, Infantry Road,  
Bangalore – 560001, Karnataka.

I, K. Jayachandran, Practicing Company Secretary have examined:

(a) all the documents and records made available to us and explanation provided by SHANKARA BUILDING PRODUCTS LIMITED (CIN: L26922KA1995PLC018990) ("the listed entity"),

(b) the filings/ submissions made by the listed entity to the stock exchanges,

(c) the website of the listed entity,

(d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended **31st March, 2022** ("Review Period") in respect of compliance with the provisions of:

(a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and

(b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/guidelines issued thereunder, have been examined, include:-

(k) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;





(l) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(m) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (was not applicable to the Company during the period under review)

(n) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (was not applicable to the Company during the period under review)

(o) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(p) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(q) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(r) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (was not applicable to the Company during the period under review)

(s) The Securities and Exchange Board of India (Buyback of Securities), Regulations, 2018; (was not applicable to the Company during the period under review) and

(t) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; (was not applicable to the Company during the period under review).

and circulars/guidelines issued thereunder; and based on the above examination, I hereby report that, during the Review Period:

(a) The listed entity has complied with the provisions of the above Regulations and circulars, guidelines issued thereunder, except in respect of matters specified below:-

Sr. No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations / Remarks of the Practicing Company Secretary
1.	Nil	Nil	Nil

(b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars, guidelines issued thereunder insofar as it appears from my examination of those records.

(c) The following are the details of actions taken against the listed entity/its promoters/directors/material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of violation	Details of action taken e.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
1.	Nil	Nil	Nil	Nil



(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No	Observations of the practicing company secretary in the previous report	Observations made in the Secretarial Compliance Report for the year ended 31 <sup>st</sup> March 2022	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1.	Not Applicable	Not Applicable	Not Applicable	Not Applicable

(e) I hereby certify that the listed entity has complied with the requirements as mentioned in 6 (A) and 6 (B) of Circular No. CIR/CFD/CMD1/114/2019 dated 18th October, 2019 issued by the Securities and Exchange Board of India.

**Note:** Due to COVID -19 pandemic and lockdown, we were not able to physically verify and examine few documents and in such cases we have carried out the examination and audit based on the electronic documents/soft copies provided by the Company to us.

Place: Bengaluru  
Date: May 16, 2022

**K. Jayachandran**  
Company Secretary  
ACS No.: 11309/C P No.: 4031  
UDIN:A011309D000325216  
Peer Review No: 784/2020









### SECRETARIAL AUDIT REPORT OF MATERIAL SUBSIDIARIES COMPANY

#### COMPANY NAME: TAURUS VALUE STEEL & PIPES PRIVATE LIMITED

Form No. MR-3

#### SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March, 2022

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
TAURUS VALUE STEEL & PIPES PRIVATE LIMITED  
Sy. No. 487, Bachupally Village,  
Kutbullapur Mandal, Telangana - 501401

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **TAURUS VALUE STEEL & PIPES PRIVATE LIMITED** having **CIN: U28112TG2009PTC064592** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts and statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its Officers, Agents and Authorized Representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the Audit Period covering the Financial Year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company for the Financial Year ended on 31st March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under to the extent applicable;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under - Not applicable during the Financial Year;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) Regulation 24 (Corporate governance requirements with respect to subsidiary of listed entity) of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (vi) There were no specific Laws, Norms and Directions applicable to the Company except Labour Laws.

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standard 1 and 2 issued by The Institute of Company Secretaries of India;
- ii. Listing Agreement – Not Applicable as the Company has not entered in to any Listing Agreement during the Financial Year. During the period under review the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned.

#### I further report that:

Based on the information provided by the Company, its Officers and Authorized Representatives, during the conduct of the Audit and also on the review of the Details, Records, Documents and Papers provided, in my opinion, adequate systems and processes and control



mechanism exist in the Company to monitor and to ensure compliance with applicable general laws like Labour Laws, Competition Law and Environmental Law.

The compliance of applicable financial laws, like direct and indirect tax laws, have not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices were given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and at least one Independent Director was present wherein the Board meetings were held at a shorter notice to transact urgent matters and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the Meeting.

As per the Minutes of the Meetings duly recorded and signed by the Chairman, the decisions were carried unanimously and there were no dissenting views.

There were adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that during the audit period:**

1. The Company has entered in to related party transactions during the Financial Year and the Board has considered all the Related Party Transactions are in the Ordinary course of Business at arm's length basis.

2. The Company has re-appointed Ms. Jayashri Murali (DIN: 00317201) and Mr. N. Muthuraman (DIN: 02375046) as Independent Directors for second term of Five Years and the Company has obtained approval of the Board of Directors and Shareholders by way of Special Resolution.

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

**K. Jayachandran**  
**Company Secretary**  
**ACS No.: 11309/CP No.: 4031**  
**UDIN: A011309D000298596**  
**Peer Review No: 784/2020**

**Place: Bengaluru**  
**Date: May 6, 2022**



**Annexure - A**

To,  
The Members,  
**TAURUS VALUE STEEL & PIPES PRIVATE LIMITED**  
Sy. No. 487, Bachupally Village,  
Kutbullapur Mandal, Telangana - 501401

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**K. Jayachandran**  
**Company Secretary**  
**ACS No.: 11309/CP No.: 4031**  
**UDIN: A011309D000298596**  
**Peer Review No: 784/2020**

**Place: Bengaluru**

**Date: May 6, 2022**

**COMPANY NAME: VISHAL PRECISION  
STEEL TUBES & STRIPS PRIVATE LIMITED****Form No. MR-3  
SECRETARIAL AUDIT REPORT**

**For the Financial Year ended 31st March, 2022**

*[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To,  
The Members,  
**VISHAL PRECISION STEEL TUBES AND STRIPS  
PRIVATE LIMITED**  
Plot No.47, Industrial Area, Hoskote,  
- 562114, Karnataka

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **VISHAL PRECISION STEEL TUBES AND STRIPS PRIVATE LIMITED** having **CIN: U00291KA1991PTC012581** (hereinafter called "the Company"). Secretarial Audit was conducted in a

manner that provided me a reasonable basis for evaluating the corporate conducts and statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its Officers, Agents and Authorized Representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the Audit Period covering the Financial Year ended on **31st March, 2022** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company for the Financial Year ended on **31st March, 2022** according to the provisions of:



- (i) The Companies Act, 2013 ('the Act') and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under to the extent applicable;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under - Not applicable during the Financial Year;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) Regulation 24 (Corporate governance requirements with respect to subsidiary of listed entity) of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (vi) There were no specific Laws, Norms and Directions applicable to the Company except Labour Laws.

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standard 1 and 2 issued by The Institute of Company Secretaries of India;
- ii. Listing Agreement – Not Applicable as the Company has not entered in to any Listing Agreement during the Financial Year.

During the period under review the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above.

**I further report that:**

Based on the information provided by the Company, its Officers and Authorized Representatives, during the conduct of the Audit and also on the review of the Details, Records, Documents and Papers provided, in my opinion, adequate systems and processes and control mechanism exist in the Company to monitor and to ensure compliance with applicable general laws like Labour Laws, Competition Law and Environmental Law.

The compliance of applicable financial laws, like direct and indirect tax laws, have not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices were given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and one Independent Director was present wherein the Board meetings were held at a shorter notice to transact urgent matters and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the Meeting.

As per the Minutes of the Meetings duly recorded and signed by the Chairman, the decisions were carried unanimously and there were no dissenting views.

There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that during the audit period:**

1. The Company has entered in to related party transactions during the Financial Year and the Board has considered all the Related Party Transactions are in the Ordinary course of Business at arm's length basis.

2. The Company has re-appointed Ms. Jayashri Murali (DIN: 00317201) and Mr. N. Muthuraman (DIN: 02375046) as Independent Directors for second term of Five Years and the Company has obtained approval of the Board of Directors and Shareholders by way of Special Resolution.



This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

**K. Jayachandran**  
**Company Secretary**  
**ACS No.: 11309/CP No.: 4031**  
**UDIN: A011309D000298662**  
**Peer Review No: 784/2020**

**Place: Bengaluru**  
**Date: May 6, 2022**

### Annexure - A

**To,**  
**The Members,**  
**VISHAL PRECISION STEEL TUBES AND STRIPS**  
**PRIVATE LIMITED**  
**Plot No.47, Industrial Area, Hoskote,**  
**KA - 562114**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books

of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**K. Jayachandran**  
**Company Secretary**  
**CS No.: 11309/CP No.: 4031**  
**UDIN: A011309D000298662**  
**Peer Review No: 784/2020**

**Place: Bengaluru**  
**Date: May 6, 2022**





**Annexure-IV to the Directors' Report****STATEMENT OF DISCLOSURE OF REMUNERATION**

(Information pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

**1. Ratio of the remuneration of each Executive Director to the median remuneration of the employees of the Company for the Financial Year 2022, the percentage increase in remuneration of Managing Director, Whole time Directors, Chief Financial Officer and Company Secretary during the Financial Year 2022.**

Sl. No	Name of Executive Director/Key Managerial Personnel	Designation	Ratio of Median	Percentage (%) increase in Remuneration
1.	Mr. Sukumar Srinivas	Managing Director	11.77%	-
2.	Mr. C. Ravikumar	Whole-time Director	21.83%	-
3.	Mr. Alex Varghese	Chief Financial Officer	12.35%	10%
4.	Ms. Ereena Vikram	Company Secretary and Compliance Officer	4.54%	20%

**2. Percentage increase in remuneration of Non-Executive Directors:**

Sl. No	Non-Executive Directors	Ratio to Median	% of Increase
1.	Mr. V. Ravichandar	Non-executive Directors and Independent Directors were paid only Sitting Fees for attending meetings of the Board and Committees of the Board. Hence, Ratio to Median is not applicable.	Not Applicable
2.	Mr. B. Jayaraman		
3.	Mr. Chandu Nair		
4.	Ms. Jayashri Murali		
5.	Mr. RSV. Siva Prasad		

**3. Percentage increase in the median remuneration of employees for the financial year 2021-22: -28%.**

**4. Number of permanent employees on rolls of the Company as on March 31, 2022: 730 (Standalone).**

**5. Average percentile increase already made in the Salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The managerial remuneration being paid to Managing Director and Whole-time Director is as per the provisions of Companies Act, 2013 and within overall limit prescribed in the Act.

The percentage increase in average salaries paid to employees during the year 2021-22 was 15%.





**6. Affirmation that the remuneration is as per remuneration policy of the Company:**

It is hereby affirmed that the remuneration to Directors and Key Managerial Personnel for the year 2021-22 was as per the terms of the appointment and remuneration policy of the Company.

**For Shankara Building Products Limited**

**Place : Bengaluru**  
**Date : May 16, 2022**

**Sukumar Srinivas**  
**Managing Director**  
**DIN: 01668064**



**Annexure-V to the Directors' Report**

Information pursuant to Rule 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Name	Qualification	Designation	Percentage of Equity Shares held by them (%)	Date of Commencement of Employment	Experience (Yrs.)	Gross Remuneration (₹)	Last Employment
Mr. Sukumar Srinivas	B.Com; PGD (Business Management)	Promoter and Managing Director	50.67	13.10.1995	39	31,41,600	Gemini Steel Tubes Limited
Mr. C. Ravikumar	B.Sc.	Whole-time Director	0.31	13.10.1995	35	55,46,855	Gemini Steel Tubes Limited
Mr. Alex Varghese	B.Com	Chief Financial Officer	0.09	13.10.1995	29	31,20,348	The Aluminium Industries Limited
Ms. Ereena Vikram	B.Com, LL.B, M.A (PMIR)	Company Secretary and Compliance Officer	--	08.09.2016	8	11,45,964	Corpus Software Private Limited
Mr. Dhananjay Miralay Srinivas	Graduation- Legal Studies Major	Head-Buildpro	0.26	14.03.2020	2	5,05,800	--
Mr. M.P.Jayagopal	B.com	General Manager & Regional head	0.08	01.04.2001	35	21,75,120	Gemini Steel Tubes Limited
Mr. C. Jaiprakash	B.A	General Manager logistics	0.08	13.10.1995	38	21,30,960	Dimensions Technology Furniture
Mr. Muralidhar Raichur	B.Com	G.M-Marketing	0.05	01.03.2006	36	20,03,400	Saregama India Limited
Mr. Narendra Thakur	Engineering (Industrial Production)	Deputy General Manager	0.05	01.11.1997	31	18,20,904	Gemini Steel Tubes Limited
Mr. Agfa CN	M.Com	General Manager	--	01.12.2020	26	15,42,600	Fontana Impex



**Notes:**

1. *Gross Remuneration includes salary, allowances, company contribution to provident fund, commission and other benefits.*

2. *Except Mr. Dhananjay Miralay Srinivas, no other employee mentioned above is related to any Director of the Company.*

**For Shankara Building Products Limited**

**Place: Bengaluru**  
**Date: May 16, 2022**

**Sukumar Srinivas**  
**Managing Director**  
**DIN: 01668064**

**Annexure-VI to the Directors' Report****ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE YEAR 2021 - 22****1. Brief outline on CSR Policy of the Company.**

Shankara works towards improving healthcare infrastructure, education, environment sustainability, rehabilitating abandoned women and children. The Company's focus has always been to contribute to the sustainable development of the society and environment in compliance with section 134 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014.

The projects undertaken will be within the broad framework of Schedule VII of the Companies Act, 2013. Details of the CSR policy and projects or programs undertaken by the Company are available on links given below:

**CSR policy:** <https://www.shankarabuildpro.com/pdf/pdf-CSR-Policy.pdf>.

**CSR projects:** <https://www.shankarabuildpro.com/csr.html>.

The main focal areas of Shankara Corporate Social Responsibility activities are:

- Adoption of a school in Bengaluru with the entire team of Need Base India and setting up of new home for boys and girls in Govt. primary school.
- Water is a critical resource and is rapidly depleting. Shankara has taken up water conservation as a theme and started an integrated watershed project - Jala Nela. The project aims at achieving sustainable agriculture patterns and community mobilized through the integrated watershed development and improving the livelihood of small and marginal farmers.
- Providing education, medical facilities and rehabilitation to the differently abled people.
- Sponsorship for spinal cord & medical checkup
- To advance, transmit and spread awareness of India's rich culture, ethical and philosophical heritage among the children.

Shankara Building Products Limited ("SBPL") on a standalone basis was expected to spend ₹51.51 Lakhs towards CSR in the year 2021-22. It has identified and allocated ₹51.91 lakhs and disbursed ₹52.14 lakhs.

**2. Composition of the CSR Committee:**

Sl. No	Name of Director	Designation/Nature	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Ms. Jayashri Murali	Chairman, Independent Director	2	2
2.	Mr. Chandu Nair	Member, Independent Director	2	2
3.	Mr. Sukumar Srinivas	Member, Managing Director	2	2

**3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:**

Composition of the CSR committee shared above and is available on the Company's website on <https://www.shankarabuildpro.com/pdf/Committee%20Members-21.pdf>.

The Company's CSR Policy is available on the website at <https://www.shankarabuildpro.com/pdf/pdf-CSR-Policy.pdf>.



4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sl. No	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set off for the financial year, if any (in ₹)
Not Applicable			

6. Average net profit of the Company as per Section 135(5): ₹2,575.41 lakhs

7. (a) Two percent of average net profit of the company as per section 135(5): ₹51.51 Lakhs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: No

(c) Amount required to be set off for the financial year, if any: N/A

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹51.51 Lakhs

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ in lakhs)	Amount Unspent (₹ in lakhs)				
	Total Amount transferred to Unspent CSR Account as per Section 135 (6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135 (5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
52.14	Nil	-	-	Nil	-

(b) Details of CSR amount spent against ongoing projects for the financial year:

Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (₹ in Lakh)	Amount spent in the current financial Year (₹ in lakh)	Amount transferred to Unspent CSR Account for the project as per Section 135 (6) (₹ in Lakh)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency
				State	District					Name	CSR Registration number
Not Applicable											





## c) Details of CSR amount spent against other than ongoing projects for the financial year:

₹ in Lakhs

Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (₹ in Lakh)	Mode of implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
1.	Jala-Nela- Water Shed Programme	iv	Yes	Kancheepuram	Tamil Nadu	40.40	No	Concern India Foundation	CSR00000898
2.	Sponsorship for spinal cord & medical checkup	i	No	Ayikudy	Tamil Nadu	11.05	No	Amar Seva Sangh	CSR00000229
3.	Health Care	x	Yes	Goa	Maha-rashtra	0.69	No	Village Panchayat	-
	<b>Total</b>					<b>52.14</b>			

(d) Amount spent in Administrative Overheads: No

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹52.14 Lakhs

(g) Excess amount for set off, if any

Sl. No	Particular	Amount (₹ in Lakh)
1.	Two percent of average net profit of the Company as per Section 135(5)	51.51
2.	Total amount spent for the Financial Year	52.14
3.	Excess amount spent for the financial year [(ii)-(i)]	0.63
4.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
5.	Amount available for set off in succeeding financial years [(iii)-(iv)]	-



9. (a) Details of Unspent CSR amount for the preceding three financial years

Sl. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (₹ in Lakh)	Amount spent in the reporting Financial Year (₹ in Lakh)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years (₹ in Lakh)
				Name of the Fund	Amount (₹ in Lakh)	Date of transfer	
Not Applicable							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Sl. No	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (₹ in Lakh)	Amount spent on the project in the reporting Financial Year (₹ in Lakh)	Cumulative amount spent at the end of reporting Financial Year (₹ in Lakh)	Status of the project - Completed / Ongoing
Not Applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)

(a) Date of creation or acquisition of the capital asset (s): None.

(b) Amount of CSR spent for creation or acquisition of capital asset: NIL.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not Applicable.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable.

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5): Not Applicable.

For Shankara Building Products Limited

Sukumar Srinivas  
Managing Director  
DIN: 01668064

Jayashri Murali  
Chairman, Corporate Social Responsibility  
DIN: 00317201

Place: Bengaluru  
Date: May 16, 2022



## **Annexure-VII to the Directors' Report**

### **MANAGEMENT DISCUSSION AND ANALYSIS**

#### **1. Industry Structure and Development**

The year 2021-22 could be divided into two contrasting halves. The first half witnessed the newer variants of the coronavirus which affected many geographies at different times of the year. The start of the vaccination drive in the country did initially lead to monetary recovery, however the resurgence of the virus across the globe brought uncertainty and unpredictability in the first half of the year. The debilitating Delta wave of the pandemic was traumatic in terms of human sufferings.

The second half of the year was marked by a strong recovery. The experiences of 2020 was helpful in managing the pandemic. The service sector including travel and tourism witnessed a strong rebound. Capital expenditure and infrastructure spend saw an uptake from the third quarter of FY 2021-22. Export improved and witnessed a robust growth.

The Government continued its efforts in mitigating the impact of the pandemic. The Government has also announced various schemes like:

- (i) The Credit Guarantee Scheme for MFIs (CGSMFI) was launched in June, 2021, to support the Indian economy during the fight against Covid-19 pandemic, to benefit the smallest of borrowers of Micro Finance Institutions by providing 75% guarantee coverage through National Credit Guarantee Trustee Company Limited (NCGTC).
- (ii) Loan Guarantee Scheme for Covid Affected Sectors (LGSCAS) was announced to provide 50% guarantee coverage in Brownfield and 75% in Greenfield projects.
- (iii) The production linked incentive (PLI) scheme worth USD 26 billion for 14 key sectors. These included sectors like telecom and network products, semi-conductors, automotive and auto components.
- (iv) Launch of the National Master Plan - Gati Shakti for multimodal connectivity infrastructure development.
- (v) Various public sector banks like SBI also

aggressively funded mid segment and low cost housing projects. This helped the completion of various projects which were affected by Covid 19.

#### **The Economic Background**

The global financial conditions have tightened notably and downside risks to the economic outlook have increased as a result of the war in Ukraine. This has occurred just as most of the world was slowly bringing the pandemic under control and the global economy was recovering from COVID-19. Repercussions of the Russian invasion of Ukraine and ensuing sanctions continue to reverberate globally and will test the resilience of the financial system through various potential amplification channels, including direct and indirect exposures of banks and non-banks. Commodity markets including steel, metals and energy etc witnessed a sharp increase in prices, shipping prices also went up thus stoking inflation across the globe.

Inflation is raising its head after a few years of stable prices. The expected rise in global oil & commodity prices due to the situation in Ukraine may further harden inflation.

The economic scenario in India remains optimistic. Due to sanctions imposed by the West on Russia, Indian exports of steel etc., to the EU and other parts of the world has gone up substantially. The IMF estimates that the Indian economy to grow handsomely at 9.0% in 2022 and by 7.1% in 2023, among the highest rates globally.

#### **Building material industry structure**

The building material industry faced maximum impact of the pandemic in 2020. The building materials segment displayed resilience as it slowly bounced back in 2021. While initially, in April & May, the second wave disrupted the momentum. From June onwards, the revival trajectory has been positive. The projected growth rate for this industry in 2022 is around 10%, and it is estimated to clock a CAGR growth of 8% to 9% in the next five years.

On the retail side, we are seeing pickup in construction activity. Also individual home builders are making use of historically low interest rates. Various optimization and cost control measures were adopted by this industry to control expenditure and costs to preserve capital. This has yielded positive results.



Manufacturers of building products are keen to build a strong brand as well as a direct connect and relationship with customers. They want retail stores to keep pace with their product evolutions. Manufacturers look to aligning themselves with customer needs in a transparent manner. Organized stores are best positioned to offer this. A healthy relationship with manufacturers ensure the retail stores to provide good service levels to their customers in terms of product knowledge and on-time deliveries.

**Few trends that will benefit organized retail are as follows:**

1. Convenience for customers - Customers are increasingly looking for convenience for fulfilling their need for products and brands at a single location which offers large selection in terms of brands and products. Points of purchase and terms of delivery are increasingly becoming key components of customer buying behaviour.
2. Creating customer connect – Increasing use of technology towards planning, creating consumer convenience, better merchandising to suit customer requirements and targeted customer reach out is further helping cement customer connect for organized retail. With the advent of high innovation and differentiation in terms of products, brands, marketing and consumer connect, organized retail is set to lead the way in terms of growth of the retail sector.
3. Assurance of authenticity – the trust factor behind availability of genuine brands, large selection of products backed by a trusted corporate retail chain assures authenticity to customers.

With the advent of high innovation and differentiation in terms of products, brands, marketing and consumer connect, organized retail is set to lead the way in terms of growth of the retail sector.

***Institutional customers***

While retailing contributes a third of the overall building material industry, institutional segment contributes to the larger share. A lot of the sales in the segment may get categorized as relatively lower margin and higher working capital requirement businesses. However, there are customer segments and products segments which can provide some niches. Bespoke

products integrate these customers more tightly with suppliers. Timely availability of products also becomes a key differentiator in this category.

**Outlook**

The past two years have shown that that we operate in a world which is not always predictable. The various measures taken by the industry in general has helped consolidate this sector. Further, the fiscal measures provided by the government has also helped the building material industry substantially. Consequently your Company is very positive on robust growth of this sector in the coming financial year.

**2. Opportunities & Threats**

The business has a specific set of risk characteristic which are managed through internal risk management process. The Risk Management Committee monitors the movement of the risk periodically post implementation of a mitigation plan and does course correction if any required.

The opportunities and threats faced by the Company are enumerated below:

**Opportunities**

- Shankara has a unique eco system. The Company has well defined business units which balance each other. We have processing units, a channel and enterprise vertical as well as a retail segment. This unique model helped us tide over the adverse effects of the pandemic.
- The consolidation phase which the Company witnessed over the last three years is largely over. Further, many small independent stores face viability issues in a rising competitive environment. We believe that in this environment our stores are poised for growth on a same store basis.
- The go-to brand for building products: The retailing of building products is a fragmented industry with mostly standalone stores operating in single locations in limited product categories. The growth opportunity is substantial in the geographies we operate. We see similar such opportunities in other parts of the country. Shankara Buildpro is a multi-product, multi-brand, multi-location retail chain with 90+ stores. We can build multiple levels of differentiators on top of this large store network.





- We are substantially improving our digital footprint and improving our technology backup. This will further help growth of our business.

**Threats**

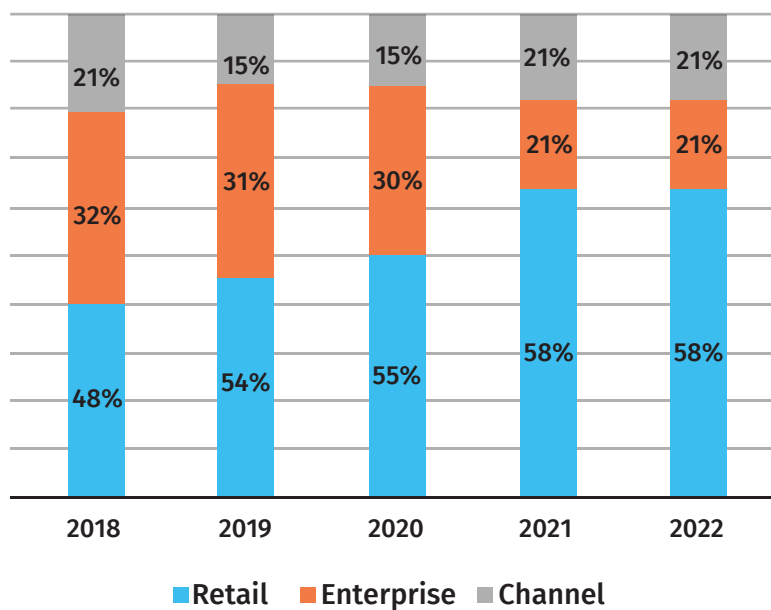
- **Uncertainties:** Our financial performance depends significantly on the stability of the housing, residential construction and home improvements market as well as general economic conditions. Adverse conditions in or uncertainty about these markets, or the economy could adversely impact our customers' confidence or financial condition, causing them not to purchase home improvement products and services.
- **Competition:** We believe that this industry is a very operations intensive business with thin margin structures. The ability of a large player to operate at fine cost structures may be a challenge. There are a lot of insights that the team has built over a period of time which are critical for execution. These strengths will stand us in good stead to tackle competition.
- **Technology disruption:** Newer ways of doing business in the current "start-up" environment

could pose challenges. The abundant capital being raised by start-ups allow them a long runway to spend on infrastructure, technology, manpower etc. to ramp up sales in a very rapid manner.

**3. Segment wise or Product wise performance**

Our business is structured across three key revenue streams – retail, enterprise and channel. The retail segment is the largest and the fastest growing segment of the Company. Retail contributes ~58.2% of the total revenues of the Company and grew at 18.9 % in FY 22 (This is the key focus area of the Company. The enterprise business contributes ~20.9.% of the total revenues. In the enterprise segment we are looking to focus on margin accretive opportunities. The emphasis is more on bottom line growth rather than topline growth for this segment. The channel business contributes to ~20.9% of the total revenues. The following chart captures the revenue share of the key business segments and how their share has changed over the last few years.

**Revenue mix**





## I. Retail segment

We are one of the largest retailers of home improvement and building products in India based on the number of stores. We run a chain of 90+ retail stores (as on 31st March, 2022) operating under the brand "Shankara Buildpro". Our retail operations are spread across South, West and East India. We carry 1,00,000+ SKUs across the entire home construction and renovation lifecycle spread across categories of construction materials, plumbing and sanitary ware, flooring, electrical items and interior-exterior finishing.

Our retail revenue was ₹1,408.09 Cr in FY22 which was 58.2 % of our total sales. Our comparable sales growth gained momentum with each passing quarter of the year. Our segment EBITDA margins stood at 6.3 % in FY 22. Our total store count as on 31st March, 2022 stood at 90.

We are looking to build depth across all our product categories. In addition to providing in-store display of products, we also do catalogue based selling. We are also looking to use our digital store as a product discovery platform for our customers. Our e-commerce platform is fully functional at [www.buildpro.store](http://www.buildpro.store).

Our focus would be to capture a larger share of wallet of our existing customers. We are also looking to leverage the strength of the brands we deal with to create customer pull for our stores. All these should have a positive impact on the revenue growth opportunities of our stores.

Our retail footprint spans ~4,34,412 lakh sq.ft. Our average store size is ~4,827sq.ft. As of now we continue to focus on South India. We are working on the following aspects in our retail network:

- We continue to upgrade stores. Efficient supply chain continues to be our focus. We place utmost importance in hiring the right manpower and training. Cross sell continues to be the key theme across our retail stores. We want to leverage our existing customer relationships to sell more of our expanded range of products.
- We are increasing our focus on branding our stores and continuing with our customer outreach programme.

## II. Enterprise segment

In this segment, we cater to the requirements of

large end users, contractors and OEMs. We generated revenues of ₹504.98 Crores in FY 2022, a growth of 16.7 % over the previous year. Enterprise customers are more demanding in terms of quality parameters and specifications. This can be partly catered to with our integrated processing facilities. Our sales in this segment for Q1 was ₹90.65 Cr, Q2 was ₹127.30 Cr, Q3 was ₹125.31 Cr & Q4 was ₹161.72 Cr.

## III. Channel segment

In this segment we cater to dealers and other retailers through our branch network. The Channel segment continues to be a strategic business for us. It builds understanding of the markets and the emerging trends. The channel business recorded revenues of ₹505.33 Cr for FY 22 as compared to ₹421.82 Cr for FY21 recording a growth of 20%. The Channel business also helps us in our other business segments. It helps optimize costs and helps us in securing scale benefits.

### Processing

We have reduced production and turnovers in these processing units which are housed in our subsidiaries. However, all the units were profitable for the financial year 2021-22.

Our processing units complement the three business verticals of retail, channel & enterprise. We make certain roofing products in our own brand which have a good market in our retail segment. We focus on customizing some of our products which cater to needs of certain enterprise customers.

We now have 13 functional processing units. These units are not very capital intensive.

### Supply chain management

Supply chain is an integral part of our business. We have a warehousing network spread over ~5,33,073.sqft. This helps us deliver our cluster based retail stores in an efficient manner. It is very critical in ensuring storage of material and timely delivery to our retail units. The Company owns most of our warehousing space. We also own a fleet of trucks. Additionally, we do utilize the services of outside agencies for transporting our materials.



### 4. Outlook

As of now Covid 19 is on the wane. Most of the restrictions have been lifted and life is back to normal. All businesses are open and functioning well. New building projects are being announced which is good augury for the building material industry. We anticipate a positive outlook for our business in the coming years.

The Company has allotted preferential warrants to APL Apollo Mart Limited (wholly owned subsidiary of APL Apollo Tubes Limited). Apl Apollo Tubes Limited is a valuable supplier of steel tubes and other steel related products for Shankara. Your Company believes that this investment of the supplier in the Company will strengthen the relationship between us.

### 5. Risks and concerns

Each business has areas of key risks and concerns. For our business, we have identified key risks as – place, product, people and pricing. These are further detailed below:

- Place – Location selection is very important to ensure walk-ins and volume pickup in the retail stores. Availability of retail spaces relevant for our format and cost structure is important. As most of the locations are on a rental basis, continuation of the leases also becomes important. We need ample parking space for customers as well as space for loading / unloading of goods from our transport vehicles. Our knowledge of the geographies we operate in helps us in appropriate location identification.
- Product – Selecting the right products in the stores is important to ensure healthy sales and continued movement of stocks. We do not carry a lot of inventory in our stores or warehouses. The inventory that we carry is also for select products which, to our understanding, are fast moving. We try to ensure that we supply material on a back to back order basis. Further our products do not have as much of an obsolescence risk. We also have the ability to move the products within our own wide network.
- People – Trained manpower is important for retailing of building products as there is an element of consultative selling required for this category. We are training our own manpower as well as recruiting from the industry. We conduct regular training sessions for our staff. Our

takeovers have also helped us acquire trained people.

- Pricing – Some of our product categories like steel could witness price volatility. In addition, competition could make our pricing less competitive forcing us to operate at lower profitability levels. We try to ensure that the inventory level of such products is kept at low levels. We look to keep our inventory at levels so that we refresh the stock within the normal monthly price revision cycle. Further, price fluctuations take time to reach the retail segment as well as Tier 2 / 3 locations. This provides us some buffer against such price volatility.

### 6. Internal control systems and their adequacy

Internal Controls has been a key focus area of the company during the year. It forms an integral part of the Company's corporate governance and plays a critical role in managing operational risks. Both operational and systems audits govern the part of audit conducted by the Company.

The Company has a robust Risk Management Policy, which provides an overall framework for Risk Management in the Company. The key elements of the company's risk management framework have been captured in the risk management policy, which details the process for identifying, escalating, prioritizing, mitigating, and monitoring key risk events and action plans. The Company's existing framework provides for risk reviews at various levels based on company's organizational structure matrix. Periodic assessment of risks, potential impact relating to business growth, profitability, talent engagement, and market position are conducted.

### 7. Discussion on financial performance with respect to operational performance

Operations of the Company was severely impacted in the first quarter of FY 22. This was primarily due to lockdowns arising out of Covid 19. However there was a positive recovery during the rest of the year. And the Company showed a growth of about 20% sales growth as compared to FY 21. In our retail segment, customer walk-ins started improving from the second quarter onwards and this helped us post a 19% growth for FY 22 as compared to the previous year. Our profits too showed substantial improvement and



your Company posted a PAT of ₹34.32 Cr for FY 22 as compared to ₹13.85 Cr for FY 21.

## 8. Material Development in Human Resource/ Industrial Relations front

First quarter of 2022 witnessed the second of wave affecting people pan India. The company was required to put in concerted efforts, very quickly, to prioritize employee wellness and

safety. Shankara considers its employees as an integral part of their family. The goal of the HR Team is to ensure that all the employees are engaged, motivated and working towards achieving the Company's strategic objectives. Necessary training was conducted on an ongoing basis during the year. The Company had to take utmost care in maintaining the safety and welfare of all employees and their families in FY22 due to the pandemic.

## 9. Key financial ratios:

The comparison of key financial ratios for FY 22 and FY 21 is detailed below:

	FY 22	FY 21
Debtor Turnover in Days (on gross sales)	42	55
Inventory Turnover in Days	55	68
Interest Coverage Ratio	2.89	1.61
Current Ratio	1.77	1.90
Debt Equity Ratio	0.21	0.27
Operating Profit Margin (%)	3.6%	3.8%
Net Profit Margin (%)	1.4%	0.7%
Return on Net Worth	6.2%	2.7%

- Debtor turnover in days: Debtors was 42 days in FY 22 as compared with 55 days in FY21.
- Inventory turnover in days: Inventory was 55 days in FY 22 as compared with 68 days in FY21.
- Interest coverage ratio: The interest coverage ratio has increased from 1.61x in FY 21 to 2.89x in FY 22.
- Current ratio: In FY 22 the current ratio is 1.77x as against 1.9x in FY 21.
- Debt: Equity ratio: The Debt: Equity ratio has reduced from 0.27x in FY 21 to 0.21x in FY 22 due to increase in profit.
- Operating profit margin: Operating profit margin stood at 3.6% in FY22 as against 3.8% in FY 21.
- Net profit margin: Net profit margin from continuing operations has increased from 0.7% in FY 21 to 1.4% in FY 22.
- Return on Net Worth: The return on net worth increased from 2.7% in FY 21 to 6.2 % in FY 22 due to increase in profit.





## 10. Disclosure of Accounting Treatment

In accordance with the Companies (Indian Accounting Standards) Rules, 2015 of the Companies Act, 2013, Shankara has adopted the Indian Accounting Standards (IND AS) for preparation of its financial statements with effect from April 1, 2017. Company has also adopted Indian Accounting Standard 116 which sets out the principles for the recognition, measurement, presentation, and disclosure of leases.



## Annexure-VIII to the Directors' Report

### ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, R&D CELL AND FOREIGN EXCHANGE EARNINGS AND OUTGO

(Pursuant to Section 134 (3) (m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014)

#### Subsidiary Companies:

Taurus Value Steel & Pipes Pvt. Ltd	Units	Amount in ₹	Rate/Unit
Total Energy purchased	3,82,427	50,87,611	13.30

Vishal Precision Steel Tubes & Strips Pvt. Ltd	Units	Amount in ₹	Rate/Unit
Total Energy purchased	34,20,981	3,22,65,477	9.43

Centurywells Roofing India Pvt. Ltd	Units	Amount in ₹	Rate/Unit
Total Energy purchased	1,51,734	18,02,630	11.88

For Shankara Building Products Limited

Place: Bengaluru  
Date: May 16, 2022

Sukumar Srinivas  
Managing Director  
DIN: 01668064



### Corporate Governance Report for the year 2021-22

#### Shankara Philosophy on Corporate Governance

The Company's principles of Corporate Governance are based on transparency, accountability and ethics. The Company is committed to the upholding of the core values of integrity, passion, responsibility, quality and respect in dealing with all stakeholders of the Company. The Company ensures transparency in all dealings and in the functioning of the Management and the Board. The presence of strong Board with adequate composition of Independent Directors ensures the good corporate governance and enhances the reputation of the Company. Our Board exercises its fiduciary responsibilities in the widest sense of the term. Our disclosures seek to attain the best practices in corporate governance.

In line with the Company's commitment to good corporate governance practices and compliance with the provisions of Companies Act, 2013 and Listing regulations, our Company has constituted Audit Committee, Risk Management Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee. The Company complies with the requirements stipulated under Regulation 17 to 27 and 46 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the "Listing Regulations" or SEBI LODR").

The operations of the Company are conducted under the supervision and directions of the Board within the framework set by the Companies Act, 2013 and the Rules made there under (the "Act"), its Articles of Association, SEBI Guidelines, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

A report on compliance with corporate governance principles as prescribed under SEBI LODR is given below.

#### 2. Board of Directors

The Board of Directors of the Company represents the blend of professionalism, experience and knowledge in diverse areas which enable them to contribute effectively and provide effective leadership to the business of the Company. The Board has a fiduciary relationship in ensuring that the rights of all stakeholders are protected.

As on March 31, 2022, the Board of Directors comprised Seven (7) Directors out of which Two (2) are Executive Directors, One (1) Non-Executive and Non-Independent Director and Four (4) are Non-Executive Independent Directors out of which one is a Woman Director. The Chairman of the Board is a Non-Executive and Independent Director.

None of the Directors on the Board hold directorships in more than ten public companies. Further none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which they are a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2022 have been made by the Directors. None of the Directors are related to each other.

iii. Independent Directors are Non-Executive Directors as defined under Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 149(6) of the Act. The maximum tenure of independent directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1) (b) of the SEBI Listing Regulations read with Section 149(6) of the Act.

None of the Directors of the Company is restrained/debarred from holding the office of director pursuant to any of order of the SEBI.

#### Composition of the Board

The Board of Directors of the Company is well comprised of Executive and Non-Executive Directors with more than half of the Board of the Company comprising Independent Directors. During the year 2021-22, the Board consisted of seven Directors comprising two Executive Directors, four Independent Directors and one



Non-Executive Non Independent Director.

Requirements) Regulations, 2015 read with Section 149 of the Act.

The composition of the Board is in conformity with the requirements of Regulation 17 of the SEBI (Listing Obligations and Disclosure

### Category of Directors and Directorships and Committee Memberships

The details of Directorships and Committee Memberships of the Directors as on March 31, 2022 are given below:

Name of the Director and Designation	Category	Number of Shares held	Number of Directorship in Public Companies	Number of Committee Positions held in public companies	
				Member	Chairperson
Mr. V. Ravichandar Chairman	Independent Director	-	-	-	-
Mr. Sukumar Srinivas Managing Director	Promoter Executive	1,15,78,787*	-	-	-
Mr. B. Jayaraman Director	Non-Executive and Independent	-	-	-	-
Mr. Chandu Nair Director	Non-Executive and Independent	-	-	-	-
Ms. Jayashri Murali Director	Non-Executive and Independent	-	-	-	-
Mr. RSV. Siva Prasad Director	Non-Executive and Non Independent	55,150	-	-	-
Mr. C. Ravikumar Director	Executive	72,400	-	-	-

\*Mr. Sukumar Srinivas, Promoter and Managing Director of the Company sold 10,00,000 (Ten Lakh) equity shares of ₹10 (Rupees Ten) each (4.38% of the total paid up capital), at a price of ₹755 (Rupees Seven Hundred and Fifty Five) per share to APL Apollo Mart Limited (wholly owned subsidiary of APL Apollo Tubes Limited).

Every Director intimates the Company of his shareholding in the Company as well as directorships in other Companies in the prescribed forms on an annual basis and also the subsequent changes, if any.

None of the Directors is a Member of committee of more than ten committees or acting as a Chairperson of more than five committees across all listed companies in which they are directors, including this Company as prescribed under Regulation 26 of SEBI (LODR) Regulations, 2015.



**Details of skills/expertise/competence of the Board of Directors**

S. No	Name of Director(s)	Existing Skills/expertise/competence
1.	Mr. V. Ravichandar	Strategy and Marketing.
2.	Mr. Sukumar Srinivas	Strategy, Finance, General Management.
3.	Mr. B. Jayaraman	Finance, Business Strategy, Corporate Law, Taxation, Mergers & Acquisitions, Internal Control, ERP system implementation.
4.	Mr. Chandu Nair	Corporate Development, Marketing, Business Strategy, Risk Management, Entrepreneurship, Mentoring and Written and Verbal Communication skills.
5.	Ms. Jayashri Murali	Legal, Regulatory Framework, Corporate Governance.
6.	Mr. C. Ravikumar	Business and Marketing Strategy, Risk Management, Production Planning and Execution, Retail Management.
7.	Mr. RSV. Siva Prasad	Product Planning, SKUs monitoring, Operations.

**Board Meetings and Attendance of Directors**

During the financial year 2021-22, Six (6) meetings of the Board were held with the presence of necessary quorum in all the meetings. The detail of Board Meetings held are given below:

Date of Meeting	Board Strength	No. of directors present
April 30, 2021	7	5
June 10, 2021	7	7
August 9, 2021	7	7
November 8, 2021	7	7
February 2, 2022	7	7
March 24, 2022	7	7

The Board met at least once in every calendar quarter and the gap between two meetings did not exceed one hundred and twenty days. The information as required under Part A of Schedule II of Regulation 17(7) of the Listing Regulations has been made available to the Board.

Board meetings are convened by giving appropriate notice to the Directors and the detailed agenda along with the supporting documents are circulated to the Directors well in advance to facilitate meaningful and focused discussion at the meeting. The Board periodically reviews the quarterly compliance reports filed with Stock Exchanges.

The intimation and outcome of every Board Meeting of the Company are given to the Stock Exchanges (BSE and NSE).



The details of attendance of the Directors at the Board Meetings held during the year under review and at the 26th Annual General Meeting held on 29th July, 2021 is as given here under:

Name of Director(s)	No. of Board Meetings		Whether attended last AGM
	Held	Attended	
Mr. V. Ravichandar	6	5	Yes
Mr. Sukumar Srinivas	6	6	Yes
Mr. B. Jayaraman	6	6	Yes
Mr. Chandu Nair	6	6	Yes
Ms. Jayashri Murali	6	6	Yes
Mr. C. Ravikumar	6	5	Yes
Mr. RSV. Siva Prasad	6	6	Yes

### 3. Independent Directors

The Company believes that the presence of Independent Directors on the Board ensures that the process of decision making of the Board is unbiased and the interests of the stakeholders are safeguarded.

The Independent Directors of the Company have been appointed in terms of the requirements of the Companies Act, 2013 ("Act") and Listing Regulations. The maximum tenure of independent directors is in compliance with the Companies Act, 2013. No Independent Director has resigned from the Directorship of the Company before the expiry of their term of appointment during the financial year ended March 31, 2022.

The Company has received declarations from the Independent Directors confirming that they meet the criteria of independence laid down in section 149(6) of the Act read with Schedule IV and Rules made thereunder and under Regulation 16(1) (b) of the Listing Regulations.

#### Meeting of Independent Directors

In terms of the provision of Schedule IV of the Companies Act, 2013 read with Regulation 25 of SEBI (LODR), Regulations, 2015, a separate meeting of Independent Directors of the Company was held on 2nd February, 2022 without the presence of Non-Independent Directors.

The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company.

#### Familiarisation Programme for Independent Directors

The Company familiarizes its Independent Directors with their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business operations, etc. Further, the Independent Directors were also regularly apprised of all regulatory and policy changes. The details of the familiarization programme for Independent Directors is disclosed on the Company's website at <https://www.shankarabuildpro.com/pdf/Familiarization%20Programme-%202021-22.pdf>.

#### Committees of the Board of Directors

The Board has currently constituted the following statutory and non-statutory Committees:

- (a) Audit Committee
- (b) Nomination and Remuneration Committee
- (c) Stakeholder's Relationship Committee
- (d) Corporate Social Responsibility Committee
- (e) Risk Management Committee
- (f) Finance Committee; and
- (g) Whistle Blower Committee



The Company's guidelines relating to Board meetings are applicable to Committee meeting. The tentative date of the Board and Committee meetings was circulated to directors well in advance to facilitate them to plan their schedule. The Committee can request special invitees to join the meeting as appropriate. All the recommendations and decisions of the Committees were placed before the Board for approval. During the year under review, there were no instances where recommendations of the Committees were not accepted by the Board. The minutes of the meetings of the Committees were placed before the Board for review.

The brief description of terms of reference, composition, meetings and attendance of the Committees during the financial year 2021-22 are provided below.

### **Audit Committee**

The Audit Committee has been constituted under the provisions of the Companies Act, 2013 and Listing Regulations to discharge such duties and functions generally indicated under Regulation 18 of the Listing Regulations read with Section 177 of the Act and such other functions as may be specifically assigned to it by the Board from time to time.

### **Terms and Reference of the Audit Committee**

The terms of reference of the Audit Committee covers all the areas mentioned under Section 177(4) of the Act and Regulation 18 read with Part C of Schedule II to the Listing Regulations. The terms of reference of the Audit Committee is as follows:

- a) Overseeing our Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b) Recommending to the Board, the appointment, re-appointment, and replacement, remuneration, and terms of appointment of the statutory auditor and the fixation of audit fee;
- c) Reviewing and monitoring the auditor's independence and performance and the effectiveness of audit process;
- d) Approving payments to the statutory auditors for any other services rendered by statutory auditors;

e) Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

- Matters required to be stated in the Director's responsibility statement to be included in the Board's report in terms of Section 134(3)(c) of the Companies Act, 2013;
- Changes, if any, in accounting policies and practices and reasons for the same;
- Major accounting entries involving estimates based on the exercise of judgment by management;
- Significant adjustments made in the financial statements arising out of audit findings;
- Compliance with listing and other legal requirements relating to financial statements;
- Disclosure of any related party transactions; and
- Qualifications and modified opinions in the draft audit report.

f) Reviewing with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

g) Scrutiny of inter-corporate loans and investments;

h) Valuation of undertakings or assets of our Company, wherever it is necessary;

i) Evaluation of internal financial controls and risk management systems;

j) Approval or any subsequent modification of transactions of our Company with related parties;

k) Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

l) Approving or subsequently modifying transactions of our Company with related parties;



- m) Evaluating undertakings or assets of our Company, wherever necessary;
- n) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
- o) Reviewing, with the management, the performance of statutory and internal auditors and adequacy of the internal control systems;
- p) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- q) Discussion with internal auditors on any significant findings and follow up thereon;
- r) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- s) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- t) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- u) Approval of appointment of the chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- v) Reviewing the functioning of the whistle blower mechanism, in case the same is existing;
- w) Carrying out any other functions as provided under the Companies Act, the Listing Regulations and other applicable laws; and
- x) To formulate, review and make recommendations to the Board to amend the Audit Committee charter from time to time.

The powers of the Audit Committee include the following:

- a) To investigate activity within its terms of reference;

- b) To seek information from any employees;
- c) To obtain outside legal or other professional advice; and
- d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit Committee shall mandatorily review the following information:

- a) Management discussion and analysis of financial condition and result of operations;
- b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- c) Management letters/letters of internal control weaknesses issued by the statutory auditors;
- d) Internal audit reports relating to internal control weaknesses;
- e) The appointment, removal and terms of remuneration of the chief internal auditor; and
- f) Statement of deviations:
  - (i) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations; and
  - (ii) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the Listing Regulations

#### **Composition, Meetings and Attendance**

The Audit Committee of the Company is constituted in accordance with the provisions of Section 177 of the Act and Regulation 18 of the Listing Regulations. All the members of the Committee are financially literate and possess sound knowledge of accounts, audit, governance and legal matters. The Company Secretary of the Company acts as Secretary to the Audit Committee.



The composition of the Audit Committee and particulars of meeting attended by the members of the Audit Committee during the financial year ended March 31, 2022 are given below:

Name	Category	Designation	Number of Meetings	
			Held	Attended
Mr. B. Jayaraman	Independent Director	Chairman	7	7
Mr. V. Ravichandar	Independent Director	Member	7	6
Mr. Sukumar Srinivas	Executive Director	Member	7	7
Mr. Chandu Nair	Independent Director	Member	7	6
Ms. Jayashri Murali	Independent Director	Member	7	7

As on March 31, 2022, the composition of the Audit Committee is in conformity with Section 177 of the Act and Regulation 18 of Listing Regulations.

During the year, the Committee met seven (7) times on April 30, 2021; June 9, 2021; August 9, 2021; November 8, 2021, February 2, 2022; March 15, 2022 and March 24, 2022. The necessary quorum was present for all the meetings. The Audit Committee meetings were also attended by the partners/representatives of Statutory Auditors and Internal Auditors. Mr. B. Jayaraman, Chairman of the Audit Committee was present at the 26th Annual General Meeting of the Company held on July 29, 2021.

#### **Nomination & Remuneration Committee**

The composition and terms of reference of the Nomination and Remuneration Committee are in compliance with the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations.

The Nomination and Remuneration Committee has been vested with the authority to recommend nominations of Directors on the Board and decides on remuneration packages to the Executive Directors, and recommends the appointment/ reappointment and remuneration of the Key Managerial Personnel. The Company Secretary acts as the Secretary to the Nomination and Remuneration Committee.

#### **Terms and reference of the Nomination and Remuneration Committee**

The terms of reference of the Nomination and Remuneration Committee are in compliance with

Section 178 of the Act and Part D of Schedule II of the Listing Regulations, as enumerated below:

- a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- b) Formulation of criteria for evaluation of independent directors and the Board;
- c) Devising a policy on Board diversity;
- d) Identify persons who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance. Our Company shall disclose the remuneration policy and the evaluation criteria in its annual report;
- e) Analyzing, monitoring and reviewing various human resource and compensation matters;
- f) Determining our Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
- g) Determine compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be





market-related, usually consisting of a fixed and variable component;

h) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

i) Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

j) Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:

(i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; or

(ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003;

k) Determine whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors; and

l) If a Director slot/Senior Management position suddenly becomes vacant by reason of death or other unanticipated occurrence, the Committee shall convene a special meeting as early as possible to implement the process described herein.

m) Perform such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by such committee.

#### Composition, meetings and attendance

The composition of the Nomination and Remuneration Committee and particulars of meetings attended by the members of the Committee during the financial year ended March 31, 2022 are given below:

Name	Category	Designation	Number of Meetings	
			Held	Attended
Mr. Chandu Nair	Independent Director	Chairman	1	1
Mr. V. Ravichandar	Independent Director	Member	1	1
Mr. B. Jayaraman	Independent Director	Member	1	1
Ms. Jayashri Murali	Independent Director	Member	1	1

As on March 31, 2022, the composition of the Nomination and Remuneration Committee is in conformity with Section 178 of the Act and Regulation 19 of Listing Regulations.

During the year, the Committee met once on June 9, 2021. The necessary quorum was present for the meeting. Mr. Chandu Nair, Chairman of the Committee was present at the 26th Annual General Meeting of the Company held on July 29, 2021.

**Performance Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015, the Annual Evaluation of the performance of the Board, the Directors individually as well as the evaluation of the working of its various committees has been done through a structured questionnaire encompassing various areas that provide an insight and feedback into the functioning of the Board, its Committees, individual directors and areas of development. The evaluation criteria included aspects related to competency of directors, strategy and performance evaluation, governance, independence, effectiveness, structure of the board/committee, level of engagement and contribution, independence of judgment etc.

The peer rating on certain parameters, positive attributes and improvement areas for each Board member was also provided to them in a confidential manner. The feedback obtained from

the interventions was discussed in detail and, where required, independent and collective action points for improvement were put in place. The directors expressed their satisfaction with the evaluation process.

**Remuneration Policy**

The Company has a well-defined policy for appointment and remuneration of directors, key managerial personnel. The policy is disclosed on the website of the Company at

<https://www.shankarabuildpro.com/pdf/Shankara%20Nomination%20and%20Remuneration%20Policy.pdf>.

**Remuneration to Non-Executive Directors**

Independent Directors and Non-Independent Non-Executive Directors are paid sitting fees for attending the meetings of the Board within regulatory limits, as approved by the Board.

The details of remuneration paid to the Directors along with their shareholding in the company during the year 2021-22:

**Independent and Non-Independent Director (s):**

Name	Sitting Fees (₹)	No. of Shares held as on 31.03.2022
Mr. V. Ravichandar	4,50,000	Nil
Mr. Chandu Nair	4,50,000	Nil
Mr. B. Jayaraman	5,25,000	Nil
Ms. Jayashri Murali	5,25,000	Nil
Mr. RSV. Siva Prasad	1,50,000	55,150

**Remuneration to Executive Directors**

The Executive directors/ Whole-time directors of the Company are paid the remuneration as recommended by the Nomination and Remuneration Committee, and further approved by the Board of Directors and Shareholders.

**Executive Directors**

Name	Salary	Contribution to P.F.	Bonus	Others	Total
Mr. Sukumar Srinivas	28,05,000	3,36,600	-	-	31,41,600
Mr. C. Ravikumar	52,00,895	3,45,960	2,88,300	-	58,35,155



### Stakeholders' Relationship Committee

The composition and terms of reference of Stakeholders' Relationship Committee is in line with the requirements of section 178 of the Act and Regulation 20 of the Listing Regulations. The Stakeholders' Relationship Committee has been constituted to specifically look into the matters of investors' grievances such as transfer and transmission of securities, dematerialization/re-materialization of securities, issued of duplicate share certificates, non-receipt of dividends and such other grievances as may be raised by the investors from time to time.

#### Terms and Reference of the Stakeholders' Relationship Committee

a) Redressal of grievances of shareholders, debenture holders and other security holders, including complaints related to the transfer of shares;

b) Allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

c) Issue of duplicate certificates and new certificates on split/consolidation/renewal;

d) Non-receipt of declared dividends, balance sheets of our Company, annual report or any other documents or information to be sent by our Company to its shareholders; and

e) Carrying out any other function as prescribed under the Listing Regulations, Companies Act, 2013 and the rules and regulations made thereunder, each as amended or other applicable law.

#### Composition, meetings and attendance

The Stakeholders' Relationship Committee comprises of one (1) Executive and three (3) Independent Directors. The Company Secretary acts as the Secretary to the Stakeholders' Relationship Committee.

During the financial year 2021-22, the Committee met once on June 9, 2021. The composition of the Stakeholders' Relationship Committee and the details of meeting attended by its members during the financial year ended March 31, 2022 are as under:

Name	Category	Designation	Number of Meetings	
			Held	Attended
Ms. Jayashri Murali	Independent Director	Chairman	1	-
Mr. V. Ravichandar	Independent Director	Member	1	1
Mr. Chandu Nair	Independent Director	Member	1	1
Mr. C. Ravikumar	Executive Director	Member	1	1

As on March 31, 2022, the composition of the Committee is in conformity with section 178 of the Act and Regulation 20 of the Listing Regulations.

#### Compliance Officer

##### Ms. Ereena Vikram

Company Secretary & Compliance Officer  
Corporate Office: Shankara Building Products Limited  
21/1 & 35-A-1, Hosur Main Road  
Electronic City Post, Veerasandra  
Bengaluru-560100.

[Email-cs@shankarabuildpro.com](mailto:Email-cs@shankarabuildpro.com)

**Investors Grievance Redressal**

The quarterly statement on investors' complaints received and disposed of is submitted with stock exchanges within 21 days from the end of each quarter and the statement filed is also placed before the subsequent meeting of Board of Directors. There is no investors' complaints/request pending as on March 31, 2022.

**Investors' grievance/complaints received during the financial year 2021-22**

No of Complaints unresolved at the beginning of the year	Nil
No. of complaints received	16
No. of complaints resolved to the satisfaction of shareholder	16
No. of complaints not resolved to the satisfaction of shareholder	Nil
No. of pending complaints as on March 31, 2022	Nil

**Corporate Social Responsibility Committee**

The Corporate Social Responsibility Committee has been constituted in compliance with the requirements of Section 135 of the act with the responsibility to assist the Board in discharging its social responsibilities by way of formulating, monitoring and implementing the framework in line with the Corporate Social Responsibility Policy of the Company.

The Company's Policy on Corporate Social Responsibility is available on the Company's website at <https://www.shankarabuildpro.com/pdf/Revised%20Shankara%20CSR%20Policy.pdf>.

**Terms and Reference of the Corporate Social Responsibility Committee**

- a) Formulating and recommending to the Board the corporate social responsibility policy of the Company, including any amendments thereto in accordance with Schedule VII of the Companies Act, 2013 and the rules made thereunder;
- b) Identifying corporate social responsibility policy partners and corporate social responsibility policy programmes;
- c) Recommending the amount of corporate social responsibility policy expenditure for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;

d) Identifying and appointing the corporate social responsibility team of the Company including corporate social responsibility manager, wherever required;

e) Delegating responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;

f) Reviewing and monitoring the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes; and

g) Performing such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company.

The Annual Report on CSR activities undertaken during the year under review forms part of the Directors' Report.

**Composition, meeting and attendance**

The Committee comprises of two Independent Directors and one Executive Director. The Company Secretary acts as the Secretary of the Corporate Social Responsibility Committee.

During the financial year 2021-22, the meetings of Corporate Social Responsibility Committee were held on June 9, 2021 and October 28, 2021. The composition of the committee and the details of the meetings attended by its members during the financial year ended March 31, 2022 are as under:



Name	Category	Designation	Number of Meetings	
			Held	Attended
Ms. Jayashri Murali	Independent Director	Chairman	2	2
Mr. Chandu Nair	Independent Director	Member	2	2
Mr. Sukumar Srinivas	Executive Director	Member	2	2

As on March 31, 2022, the composition and terms of reference of the Committee are in line with the provisions of Section 135 of the Act.

### Risk Management Committee

Pursuant to the provisions of Regulation 21 of the SEBI (Listing obligations and Disclosure Requirements) (Amendment) Regulations, 2018, your Company was required to constitute Risk Management Committee.

Terms and Reference of the Risk Management Committee

a. To ensure that all the current and future material risk exposures of the Company are identified, assessed, quantified, appropriately mitigated, minimized and managed i.e. to ensure adequate systems for risk management.

b. To establish a framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, cyber security risks or any other risk as may be determined by the Risk Management

Committee (“the Committee”) for the company’s risk management process and to ensure its implementation.

c. To measure risk mitigation including systems and processes for Internal Control of identified risks.

d. Business Continuity Plan.

e. To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices.

f. To assure business growth with financial stability.

### Composition, meeting and attendance

The Committee comprises of four Independent Directors and two Executive Director. The Company Secretary acts as the Secretary of the Risk Management Committee.

During the financial year 2021-22, the meetings of Risk Management Committee were held on April 30, 2021, June 9, 2021, August 9, 2021, November 8, 2021 and February 2, 2022. The composition of the committee and the details of the meetings attended by its members during the financial year ended March 31, 2022 are as under:

Name	Category	Designation	Number of Meetings	
			Held	Attended
Mr. B. Jayaraman	Independent Director	Chairman	5	5
Mr. V. Ravichandar	Independent Director	Member	5	4
Mr. Chandu Nair	Independent Director	Member	5	4
Ms. Jayashri Murali	Independent Director	Member	5	5
Mr. Sukumar Srinivas	Executive Director	Member	5	5
Mr. C. Ravikumar*	Executive Director	Member	5	2

\* Mr. C. Ravikumar became member of Risk Management Committee on August 9, 2021.





As on March 31, 2022, the composition and terms of reference of the Committee are in line with the provisions of Listing Regulations and Companies Act, 2013.

### Other Committee

#### Finance Committee

The Finance Committee has been constituted with the primary objective for execution of transactions related to banks/financial institutions and other activities related thereto.

The main terms of reference of the Committee include the following:-

- a. Review banking arrangements and cash management;
- b. Approval for new banking limits and renewal and enhancement of existing limits upto maximum of ₹50 Crores and to be ratified in the subsequent board meeting.
- c. Exercise all powers to borrow money (otherwise than by issue of debentures) within

limits approved by the Board, and take necessary actions connected therewith, including refinancing for optimisation of borrowing costs;

d. Give guarantees / issue letters of comfort / providing securities within the limits approved by the Board;

e. Provide corporate guarantee by the Company within the limits approved by the Board;

f. Carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable;

g. Delegate authorities from time to time to the executives / authorised persons to implement the Committee's decisions;

#### Composition, meetings and attendance

The Finance Committee comprises of two Executive Directors and one Chief Financial Officer. The Company Secretary of the Company acts as Secretary of the Committee. No meetings were held during the financial year 2021-22.

The composition of the Finance Committee as on March 31, 2022 is as under:

Name	Category	Designation	Number of Meetings	
			Held	Attended
Mr. Sukumar Srinivas	Executive Director	Chairman	-	-
Mr. C. Ravikumar	Executive Director	Member	-	-
Mr. Alex Varghese	Chief Financial Officer	Member	-	-

### Whistle Blower Committee

1.1 The Whistle Blower Committee was constituted by our Board of Directors on August 9, 2017 and the policy was revised to adhere to the current provisions of the Companies Act, 2013. Shankara Building Products Limited ("Company") believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. The Company has formulated Shankara Code of Conduct for Board of Directors and Senior Management ("Code") which is attached to the policy as Annexure A, for the Company to keep a check on malpractices and any unethical behavior by all such persons

related with the management, administration and any operations of the Company with the Company ("Senior Personnel"). The role of the employees/stakeholders in pointing out violations by the Company and to keep check on the unethical practices are in place be undermined. The Company is committed to developing a culture where it is safe for all employees without fear to raise concerns about any poor or unacceptable practice and any event of misconduct impacting the Company and any of its stakeholders.

1.2 Section 177 of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation



4(2)(d)(iv) and Regulation 22 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 along with revised Clause 49 of the Listing Agreement between the Company and Stock Exchanges, inter alia, requires all listed companies to establish a mechanism called “Vigil Mechanism/Whistleblower Policy” for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation by the Company of any statutory, legal, mandatory and other compliances of whatever nature and also to ensure that no fraudulent act is committed by the Company whether it impacts the stakeholders or not.

1.3 Accordingly, this Whistleblower Policy (“the Policy”) has been formulated to provide a mechanism for directors, employees and other stakeholders of the Company to approach the Whistleblower Committee/Audit Committee of the Company for the purpose of raising genuine concerns relating to any kind of malpractice indulged by the Company and address the same effectively as required. This Policy will come into effect from the date of its adoption by the Board of Directors of the Company.

### Objective of the Policy

2.1 The Company is committed to adhere to the highest standards of ethical, moral and legal parameters in the conduct of its business

operations. To maintain these standards, the Company encourages its employees and others (“Stakeholders”) who have concerns about suspected misconduct by any of the Senior Personnel to come forward and express these concerns without fear of punishment or unfair treatment. This Policy aims to provide an avenue for all the Stakeholders to raise concerns on and bring to the notice of the Whistleblower Committee/Audit Committee about any violations of legal or regulatory or legal requirements, incorrect or misrepresentation of any financial statements and reports, etc. generated by the Company.

2.2 The purpose of this Policy is to provide a framework to promote responsible and secure whistleblowing system. It protects all Stakeholders who bring to the notice of the Whistleblower Committee/Audit Committee raise any concern about serious irregularities within the Company and any of its Senior Personnel.

2.3 The Policy neither releases the Stakeholders from their duty of confidentiality in the course of their work/association with the Company nor is it a route for taking up any kind of grievance about a personal situation.

The details of the Whistle Blower Policy is available on the website of the Company i.e., <https://www.shankarabuildpro.com/pdf/pdf-Whistleblower-Policy.pdf>

The Committee consists of following members:

Name	Designation in relation to membership of the Committee	Category
Mr. Chandu Nair	Chairman	Independent, Non-Executive
Mr. V. Ravichandar	Member	Independent, Non-Executive
Mr. B. Jayaraman	Member	Independent, Non-Executive
Ms. Jayashri Murali	Member	Independent, Non-Executive



## General Body Meetings

### a. Annual General Meeting ("AGM")

AGM	Financial year	Date	Time	Venue
24th AGM	2018-19	June 25, 2019	12.30 P.M	Radisson Blu Atria, No.1, Palace Road, Bengaluru-560001.
25th AGM	2019-20	July 30, 2020	11.30 A.M	Video Conference ("VC") / Other Audit Visual Means (OAVM) without the physical presence of Members at a common venue, in compliance with General Circular No. 14/2020, 17/2020, 20/2020 issued by Ministry of Corporate Affairs (MCA Circulars). The AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM i.e. G-2, Farah Winsford, 133 Infantry Road, Bengaluru-560001.
26th AGM	2020-21	July 29, 2021	11.00 A.M	Video Conference ("VC") / Other Audit Visual Means (OAVM) without the physical presence of Members at a common venue, in compliance with General Circular No. 14/2020, 17/2020, 20/2020 issued by Ministry of Corporate Affairs (MCA Circulars). The AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM i.e. G-2, Farah Winsford, 133 Infantry Road, Bengaluru-560001.

### b. Extraordinary General Meeting ("EGM")

No Extra-Ordinary General Meeting of members of the Company was held during the year under review.

#### c. Special Resolution passed in the previous three Annual General Meeting

The following Special Resolutions were passed at the 24th Annual General Meeting held on June 25, 2019:

i. Re-appointment of Mr. V. Ravichandar (DIN: 00634180) as an Independent Director of the Company.

The following Special Resolutions were passed at the 25th Annual General Meeting held on July 30, 2020:

i. Re-appointment of Ms. Jayashri Murali (DIN: 00317201) as an Independent Director of the Company.

ii. Re-appointment of Mr. Chandu Nair (DIN: 00259276) as an Independent Director of the

Company.

The following Special Resolutions were passed at the 26th Annual General Meeting held on July 29, 2021:

i. Re-appointment of Mr. Sukumar Srinivas (DIN: 01668064) as Managing Director of the Company.

ii. Re-appointment of Mr. C. Ravikumar (DIN: 01247347) as Whole-time Director of the Company.

#### d. Special Resolutions passed through Postal Ballot

There were no resolutions passed by way of postal ballot during the year under review. Further, no special resolution is proposed to be conducted through postal ballot as on date.

e. In compliance with Regulation 44 of SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015, and in compliance with the provisions of Companies Act 2013, and the



Companies (Management and Administration) Rules, 2014, Members were provided with the facility to cast their vote electronically through the e-voting services provided by KFin Technologies Limited (“KFin”) on all resolutions set forth in the Notice.

f. The Company has appointed Mr. S. Kannan, proprietor of S Kannan and Associates, Practicing Company Secretary as scrutinizer to conduct the e- voting process in fair and transparent manner.

### Means of Communication

The Company emphasizes on continuous, efficient and relevant communication to public at large and regularly interacts with its members through multiple channels of communication viz. through annual report, general meeting, newspapers and disclosure through website.

**Website:** The Company’s website [www.shankarabuildpro.com](http://www.shankarabuildpro.com) contains a separate section ‘Investor Relations’ where the information related to meetings of Board and shareholders, periodic financial results, annual reports, presentation made to institutional investors or to the analysts and other shareholders information are available.

**Newspaper Publications:** The information related to periodic financial results, notice to shareholders and other information as required to be published under the Act and Listing Regulations are published in widely circulated newspapers namely Business Standard (English daily) and Kannada Prabha (Kannada daily).

**Annual Report:** The Annual Report containing, Audited Financial Statements, Director’s Report, Auditor’s report, Corporate Governance Report and other important information is circulated to the members of the Company.

**Disclosure to Stock Exchanges:** The Company informs BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) all information as required under the Listing Regulations through their web – based applications i. e BSE Listing Centre and NSE’s Electronic Application Processing System (NEAPS) respectively. All periodical reports such as shareholding pattern, corporate governance report, financial results, etc., price sensitive information and such other matters which in the opinion of the Board are

material and of relevance to the shareholders are filed electronically with the stock exchanges.

### Other Disclosures

#### (a) Related Party Transactions

During the year ended March 31, 2022, all transactions entered into by the Company with related parties as defined under the Act and the Listing Regulations were in ordinary course of business and on arm’s length pricing basis. The statement of transactions with related parties is placed before the Audit Committee and the Board of Directors for review. Necessary disclosures as required under the Accounting Standards have been made in the Financial Statements. During the year under review, there were no materially significant related party transactions, which could have potential conflict with the interest of Company.

The Company has formulated a policy on dealing with related party transactions and for determining the materiality of such transactions and the same is disclosed on the website of the Company at <https://www.shankarabuildpro.com/pdf/PDF-Policy%20on%20Criteria.pdf>.

#### (b) Management Discussion and Analysis Report

Management Discussion and Analysis report for the year under review, as stipulated under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 is presented in the separate section forming part of the Directors’ Report.

#### (c) Business Responsibility Report

Business Responsibility Report for the year under review, as stipulated under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 is presented in a separate section forming part of the Directors’ Report.

#### (d) Compliance with the requirements of SEBI/Stock Exchanges and Statutory Authorities

There were no instances of non-compliance or levying penalty on the Company for non-compliance either by SEBI, Stock Exchange or any statutory authority during the last three years. The report on the legal compliance is periodically reviewed by the Board.



### (e) Subsidiary Companies

The Company has adopted a policy for determining 'Material Subsidiary' in terms of Regulation 16(c) of SEBI (LODR) Regulations, 2015, which can be viewed on the Company's website at <https://www.shankarabuildpro.com/pdf/pdf-Material-Subsidiaries.pdf>.

The Audit Committee periodically reviews the financial statements of the subsidiary companies, including the investments made by the subsidiaries and the statement containing all significant transactions entered into by them. Minutes of the Board meetings of the subsidiary companies are also reviewed periodically by the Company's Board.

### (f) Whistle Blower Policy and Vigil Mechanism

The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined under Regulation 22 of SEBI Listing Regulations for directors and employees to report concerns about unethical behavior. The said policy has been also put up on the website of the Company i.e., <https://www.shankarabuildpro.com/pdf/pdf-Whistleblower-Policy.pdf>

### (g) Details of Compliance with Mandatory and Discretionary requirements

#### Mandatory Requirements

As on March 31, 2022, the Company is in compliance with all mandatory requirements of corporate governance as prescribed in the Listing Regulations. The Board of Directors periodically reviews the compliance of all applicable laws.

#### Discretionary Requirements

##### i. Certificate of Non-disqualification of Directors

A Certificate from Mr. K. Jayachandran, Company Secretary in Practice has been obtained certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors by the SEBI/ Ministry of Corporate Affairs or any such statutory authority as on March 31, 2022. The Certificate is annexed to this Report.

##### ii. Certificate by Managing Director and Chief Financial Officer

The Managing Director and Chief Financial Officer

of the Company have certified to the Board regarding compliance of matters specified in Regulation 17(8) read with Part B of Schedule II of the Listing Regulations. The said Certificate is annexed to this Report.

##### iii. Certificate on Corporate Governance

The Certificate on Corporate Governance as stipulated under Para E of Schedule V SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 issued by Mr. K. Jayachandran, Company Secretary in Practice confirming compliance with the conditions of corporate governance is attached to this Report.

##### iv. Shareholders rights

Quarterly and half yearly results are being displayed on the Company's website [www.shankarabuildpro.com](http://www.shankarabuildpro.com). The same are also being submitted to the Stock Exchanges and published in widely circulated newspapers.

The Company has also adopted Policy on Determination of Materiality of Events Information, Policy on Archival of Documents and Policy for Preservation of Documents.

##### v. Reporting of Internal Auditor

M/s GRSM & Associates, Chartered Accountants, the Internal Auditors of the Company, make presentations to the Audit Committee of the Board.

##### vi. Recommendation of the Committees of the Company

The Board has accepted all recommendations made by the Committees of the Board during the relevant financial year.

##### vii. Director seeking reappointment

Particulars of directors seeking appointment/re-appointment at the ensuing Annual General Meeting have been provided in the Notice of the Annual General Meeting.

Mr. V. Ravichandar is the Chairman of the Company and Mr. Sukumar Srinivas is the Promoter and Managing Director of the Company. The Company has complied with the requirement of having separate persons to the post of Chairman and Managing Director.





#### viii. Commodity Price Risk or Foreign Risk and Hedging Activities

The operations of the Company do not envisage any Commodity Price Risk or material Foreign Exchange Risk.

#### ix. Proceeds from Public/Right/Preferential Issue

The Board of Directors on 24th March, 2022 and approval of shareholders through special resolution dated 20th April, 2022 passed in Extra-Ordinary General Meeting, your Company issued 14,00,000 (Fourteen Lakh) Warrants, each carrying a right to subscribe to one Equity Share per Warrant, at a price of ₹750/- (Rupees Seven

Hundred and Fifty) per Warrant ("Warrant Price"), aggregating to ₹105,00,00,000/- (One Hundred and Five Crore) to APL Apollo Mart Limited ("Acquirer"), wholly owned subsidiary of APL Apollo Tubes Limited, an entity which presently does not qualify as a promoter or member of the promoter group of the Company, by way of a preferential allotment on a preferential basis.

#### x. Disclosure on Accounting Treatment

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standard (Ind AS) notified under Section 133 of the Act, the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

#### xi. Details of fees paid to the Statutory Auditors

The details of fees paid to M/s Sundaram & Srinivasan, Chartered Accountants, Statutory Auditors of the Company during the financial year ended March 31, 2022 are given below:

Particulars	FY 2021-22
	Amount (₹ in lakhs)
For Statutory Audit	22.88
Tax Audit	2.12
For other Services	3.15
Reimbursement of expenses	5.17
<b>Total</b>	<b>33.32</b>

#### xii. Disclosure in Demat suspense/ Unclaimed suspense accounts

There are no shares lying in the demat suspense account or unclaimed suspense account.

#### xiii. Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

a.	Number of complaints filed during the financial year	Nil
b.	Number of complaints disposed off during the financial year	Nil
c.	Number of complaints pending as at end of the financial year	Nil

**xiv Unclaimed Dividend of the previous years**

Section 124 of the Companies Act 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2016 ('the Rules') mandates the Companies to transfer dividend that has remained

unpaid/unclaimed for a period of seven years in the unpaid dividend account to the Investor Education and Protection Fund (IEPF). Accordingly, the dividend for the years mentioned below will be transferred to IEPF on the respective dates, if the dividend remains unclaimed for seven years.

Financial Year	Date of Declaration of Dividend	Last date of Claiming the Dividend	Unclaimed amount as on 31.03.2021 (₹)	Due date for transfer to Investor Education and Protection Fund (IEPF)
2016-17	July 21, 2017	July 22, 2024	1,08,669.00	July 23, 2024
2017-18	June 12, 2018	July 12, 2025	1,31,498.25	July 13, 2025
2018-19	June 25, 2019	July 25, 2026	67,741.50	July 26, 2026
2019-20	March 13, 2020	April 13, 2027	75,854.00	April 14, 2027

The details of the unpaid/ unclaimed dividend lying with the Company are available on the website of the Company at the web link <https://www.shankarabuildpro.com/financials.html#voting>

**xv. Insider Trading Regulations**

In accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors of the Company has adopted a comprehensive Code of Conduct for Prevention of Insider Trading in the Company's Shares by its directors, officers, designated employees and other connected persons who are expected to have access to unpublished price sensitive information relating to the Company. The Company Secretary of the Company is designated as the Compliance Officer for the purpose of this regulation. The Company's Code of Conduct is available on the website of the Company at the web link <https://www.shankarabuildpro.com/pdf/Code%20for%20Prohibition%20of%20Insider%20Trading%20-%2020201902.pdf>.

**xvi. Risk Management**

The Company ensures that sound risk management practices which covers identification of various risks impacting the Company, assessment and evaluation of the same in line with overall business objectives and mitigating actions to systematically address the identified risk on continuing basis.

**xvii. Reconciliation of share capital audit:**

An audit is conducted on a quarterly basis by Mr. K. Jayachandran, Company Secretary in Practice,

in terms of Regulation 76 of SEBI (Depositories and Participants), Regulations, 2018 to reconcile the total admitted equity share capital with the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") and the total issued and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

**xviii. Code of Conduct**

The Company has in place a "Code of Conduct" for the Directors, Key Managerial Personnel and the Senior Management Personnel. The Company's Code of Conduct is a comprehensive code that lays down in detail, the ethics and strict governance norms for the Board and Senior Management Personnel. In compliance of Regulation 23(3) of Listing Regulations, all Directors and Senior Managerial Personnel of the Company have affirmed compliance of code of conduct as on March 31, 2022. The Company has obtained declaration from the Managing Director of the Company confirming compliance of the Code of Conduct. The Code is available on the website of the Company at <https://www.shankarabuildpro.com/pdf/pdf-SeniorManagement.pdf>.



### **xix. Credit Rating**

The Company has received Long Term Rating BBB+/Stable' and Short Term Rating 'CRISIL A2' (for Bank Loan facilities) from CRISIL Limited.

### **General shareholder information**

#### **I. Annual General Meeting for FY 2021-22**

Date	:	Friday, July 22, 2022
Time	:	10.15 A.M (IST)
Venue	:	The Company is conducting AGM through VC/OAVM pursuant to the MCA Circulars and as such there is no requirement to have a venue for the AGM. For details, please refer to the Notice of this AGM
Financial Year	:	April 1, 2021 to March 31, 2022
Book closure dates	:	Friday, July 15, 2022 to Friday July 22, 2022
Dividend Payment	:	The final dividend, if declared, shall be paid within thirty days to those members whose name stand registered on the Company's Registers of Members

#### **II. Tentative Calendar for financial year ending March 31, 2023**

Results for the Quarter ending June 30, 2022	Within 45 days from the end of quarter
Results for the Quarter ending September 30, 2022	Within 45 days from the end of quarter
Results for Quarter ending December 31, 2022	Within 45 days from the end of quarter
Results for Quarter ending March, 2023	Within 60 days from March 31, 2023
Annual General Meeting	On or before September 30, 2023

#### **III Listing Details**

BSE Limited  
Phiroze Jeejeebhoy Towers, Dalal Street  
Mumbai – 400 001  
Stock Code/Symbol – 540425

The National Stock Exchange of India Limited  
Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E)  
Mumbai – 400 051  
Stock Codes/Symbol- SHANKARA

#### **IV. Listing Fees and Custody Fees**

The Company has paid Annual Listing Fees for the financial year 2022-23 to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE); and Annual Custody Fees for the financial year 2022-23 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).



## V. Stock Market Data

Monthly high, low quotations and trading volumes of the Company's equity shares during the financial year 2021-22 at BSE and NSE are as given below:

Months	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2021	453.95	359.50	453.65	359.25
May, 2021	474.70	363.00	475.00	362.00
June, 2021	483.00	420.45	483.85	420.85
July, 2021	669.25	443.00	668.95	442.55
August, 2021	683.00	521.80	683.65	524.20
September, 2021	648.00	522.00	648.80	525.25
October, 2021	637.95	539.45	638.00	539.10
November, 2021	619.00	487.05	619.70	482.85
December, 2021	544.90	477.50	544.60	481.00
January, 2022	564.00	480.10	552.40	484.00
February, 2022	752.35	486.95	752.20	487.10
March, 2022	843.00	647.95	843.85	651.40

## VI. Performance of the Company's Equity shares (closing share price) in comparison to BSE SENSEX and NSE Nifty during the financial year 2021-22

Months	Share Price	BSE Sensex
April, 2021	373.95	48,782.36
May, 2021	430.00	51,937.44
June, 2021	452.90	52,482.71
July, 2021	654.25	52,586.84
August, 2021	543.10	57,552.39
September, 2021	591.95	59,126.36
October, 2021	545.00	59,306.93
November, 2021	496.25	57,064.87
December, 2021	531.45	58,253.82
January, 2022	507.25	58,014.17
February, 2022	738.75	56,247.28
March, 2022	786.00	58,568.51

Months	Share Price	Nifty 50
April, 2021	372.95	14,631.10
May, 2021	431.30	15,582.80
June, 2021	452.15	15,721.50
July, 2021	653.05	15,763.05
August, 2021	543.25	17,132.20
September, 2021	591.70	17,618.15
October, 2021	544.95	17,671.65
November, 2021	497.50	16,983.20
December, 2021	532.00	17,354.05
January, 2022	507.40	17,339.85
February, 2022	737.75	16,793.90
March, 2022	787.05	17,464.75

(Source: [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com))







## VII. Registrar and Share Transfer Agent

M/s KFin Technologies Limited is the Registrar and Share Transfer Agent of the Company. Any request pertaining to investor relations may be addressed to the following address:

M/s KFin Technologies Limited  
(Formerly known as KFin Technologies Private Limited)  
Selenium Tower B, Plot Nos. 31 & 32, Gachibowli,  
Financial District, Nanakramguda, Hyderabad-500032  
Toll Free No. 1800-309-4001  
Email: einward.ris@kfintech.com  
Website: www.kfintech.com

## VIII. Share Transfer System

Share transfer and related operations for Shankara Building Products Limited are conducted by M/s KFin Technologies limited.

The Company obtains a half –yearly certificate from a Company Secretary in Practice with respect to the share transfer formalities as required under Regulation 40(9) of Listing Regulations and files a copy of said certificate with stock exchanges.

## IX. Distribution of equity shareholding as on March 31, 2022

Nominal Value (₹)	Shareholders		No. of Shares	
	Number	%	Number	%
1-5000	21,734	99.14	25,18,303	11.02
5001- 10000	88	0.40	6,09,617	2.67
10001- 20000	42	0.19	6,07,305	2.66
20001- 30000	12	0.05	3,04,343	1.33
30001- 40000	10	0.05	3,57,992	1.57
40001- 50000	6	0.03	2,74,369	1.20
50001- 100000	15	0.07	10,96,165	4.80
100001& Above	16	0.07	1,70,81,232	74.75
<b>Total</b>	<b>21,923</b>	<b>100.00</b>	<b>2,28,49,326</b>	<b>100.00</b>



## X. Shareholding Pattern as on March 31, 2022

Category	No of Holders	Number of equity shares held	Percentage of holding
Promoters	1	1,15,78,787	50.67
Promoters Individuals	2	1,60,550	0.70
Promoters Companies	1	1,66,200	0.73
Resident Individuals	20,651	45,02,423	19.71
Bodies Corporate	250	29,52,885	12.93
Mutual Funds	1	8,41,218	3.68
Foreign Portfolio-Corp	28	19,78,528	8.66
Clearing Members	110	1,03,330	0.45
Trusts	6	80,061	0.35
HUF	569	3,10,740	1.36
Non Resident Indian Non Repatriable	109	29,418	0.13
Non Resident Indians	194	36,875	0.16
Alternative Investment Fund	1	1,08,311	0.47
<b>Total</b>	<b>21,923</b>	<b>2,28,49,326</b>	<b>100.00</b>

## XI. Dematerialization of shares and liquidity:

As on March 31, 2022, 2,23,87,200 equity shares representing 97.98 % of the total equity share capital of the Company were held in dematerialized form with National Securities Depository Limited (88.76%) and Central Depository Services (India) Limited (9.23%). The break-up of equity shares held in Physical and Dematerialized form as on March 31, 2022 is given below:

Mode of Holding	Shares	% of Equity
Demat		
NSDL	2,02,78,233	88.75
CDSL	21,08,967	9.23
<b>Total</b>	<b>2,23,87,200</b>	<b>97.98</b>
Physical	4,62,126	2.02
<b>Total</b>	<b>2,28,49,326</b>	<b>100.00</b>



Your Company confirms that the promoters' holdings were converted into electronic form and the same is in line with the circulars issued by SEBI. Shareholders who are still holding shares in physical form are requested to dematerialize their shares at the earliest, this will be more advantageous to deal in securities. For queries / clarification/ assistance, shareholders are advised to approach the Company's Registrar and Share Transfer Agents.

### **XII. Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, conversion date and likely impact on equity.**

The Company has not issued any Global Depository Receipts or American Depository Receipts. There are no warrants or any convertible instruments outstanding as on March 31, 2022.

**For Shankara Building Products Limited**

**Place: Bengaluru  
Date: May 16, 2022**

**Sukumar Srinivas  
Managing Director  
DIN: 01668064**



## **CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE**

*[Pursuant to Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]*

**Corporate Identity No. : L26922KA1995PLC018990**

**Nominal Capital: INR 25,00,00,000/-**

**To,  
The Members,  
SHANKARA BUILDING PRODUCTS LIMITED  
G-2, Farah Winsford, No.133, Infantry Road,  
Bangalore -560 001, Karnataka**

I have examined all the relevant records of “**SHANKARA BUILDING PRODUCTS LIMITED**” (“the Company”) for the purpose of certifying compliance of the conditions of the Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) and other applicable regulations of Chapter IV pertaining to Corporate Governance and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ( “Listing Regulations”) for the Financial Year ended **31st March, 2022**. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance.

This Certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

In my opinion and to the best of my information and according to the explanations and information furnished to me, I certify that the Company has complied with all the mandatory conditions of Corporate Governance as stipulated in the aforesaid Listing Regulations. As regards Discretionary Requirements specified in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has complied with items C and E.

**Place: Bengaluru  
Date: May 16, 2022**

**K. Jayachandran  
Company Secretary  
ACS No.: 11309/CP No.: 4031  
UDIN: A011309D000325172  
Peer Review No: 784/2020**



**Certification by Managing Director (“MD”) and  
Chief Financial Officer (“CFO”) in terms of Regulation 17 (8) of the SEBI  
(Listing Obligations and Disclosure Requirements), Regulations, 2015**

We, the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of Shankara Building Products Limited (“the Company”) to the best of our knowledge and belief, hereby certify that:

A. We have reviewed the financial statements for the year ended March 31, 2022 and that to the best of our knowledge and belief, we state that:

1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. these statements together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. We further state that to the best of our knowledge and belief, no transactions were entered into by the Company during the year which are fraudulent, illegal or violative of the Company’s code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the Auditors and the Audit Committee.

1. there has been no significant change in internal control over financial reporting during the year;
2. there has been no significant change in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
3. there has been no instance of significant fraud of which we have become aware and the involvement therein of the management or an employee having a significant role in the Company’s internal control systems over financial reporting

**For Shankara Building Products Limited**

**Place: Bengaluru  
Date: May 16, 2022**

**Sukumar Srinivas  
Managing Director  
DIN: 01668064**

**Alex Varghese  
Chief Financial Officer**





**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members,  
**SHANKARA BUILDING PRODUCTS LIMITED**  
G-2, Farah Winsford, No.133, Infantry Road,  
Bangalore, KA 560 001

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **SHANKARA BUILDING PRODUCTS LIMITED** having **CIN L26922KA1995PLC018990** and having Registered Office at **G-2, Farah Winsford, No.133, Infantry Road, Bangalore – 560 001, Karnataka** (hereinafter referred to as ‘the Company’), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **31st March, 2022** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
01.	Mr. Sukumar Srinivas	01668064	01/04/2013
02.	Mr. Ravichandar Venkataraman	00634180	29/09/2007
03.	Mr. Chandu Nair	00259276	29/07/2015
04.	Ms. Jayashri Murali	00317201	19/03/2015
05.	Mr. Subramanya Venkata Sivaprasad Ramenani	01247339	01/10/2009
06.	Mr. Bhadrannarasimham Jayaraman	00022567	14/08/2018
07.	Mr. Chowdappa Ravikumar	01247347	01/04/2011

Ensuring the eligibility of, for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Bengaluru  
Dated: May 16, 2022

**K. JAYACHANDRAN**  
Company Secretary  
ACS No. 11309/CP No. 4031  
UDIN: A011309D000325150  
Peer Review No: 784/2020



**DECLARATION OF COMPLIANCE OF THE CODE OF CONDUCT IN TERMS OF  
SCHEDULE V OF SEBI (LODR) REGULATIONS, 2015**

In terms of Schedule V of SEBI (LODR) Regulation, 2015, I, Sukumar Srinivas, Managing Director of the Company hereby confirm that:

- The Board of Directors of Shankara Building Products Limited has laid down a Code of Conduct for all the Board members and senior managerial personnel of the Company. The said Code of Conduct has also been posted on the Investors page of the Company's website <https://www.shankarabuildpro.com/pdf/pdf-SeniorManagement.pdf>
- All the Board members and senior managerial personnel have affirmed their compliance with the said Code of Conduct for the year ended March 31, 2021.

**Place: Bengaluru**  
**Date: May 16, 2022**

**Sukumar Srinivas**  
**Managing Director**  
**DIN: 01668064**



## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING 2022

### SECTION A: GENERAL DISCLOSURES

#### I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity: L26922KA1995PLC018990
2. Name of the Listed Entity: Shankara Building Products Limited
3. Year of incorporation: 1995
4. Registered office address: G-2, Farah Winsford, 133 Infantry Road, Bengaluru-560001
5. Corporate address: 21/1 & 35-A-1, Hosur Main Road, Electronic City Post, Veerasandra, Bengaluru- 560 100
6. E-mail: [compliance@shankarabuildpro.com](mailto:compliance@shankarabuildpro.com)
7. Telephone: 080-27836955
8. Website: [www.shankarabuildpro.com](http://www.shankarabuildpro.com)
9. Financial year for which reporting is being done: 2022
10. Name of the Stock Exchange(s) where shares are listed: BSE Limited and National Stock Exchange of India Limited
11. Paid-up Capital ₹22,84,93,260
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report : Ereena Vikram  
Email: [cs@shankarabuildpro.com](mailto:cs@shankarabuildpro.com)
13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together):  
Disclosures under this report are made on a standalone basis for Shankara Building Products Limited.

#### II Product Services

14. Details of business activities (accounting for 90% of the turnover):

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Retail Sales	Retailer of construction materials, plumbing and sanitary ware, flooring, electrical items and interior-exterior finishing.	58%
2.	Enterprise Sale	This category caters to large end users, contractors and OEMs.	21%
3.	Channel Sales	This category caters to dealers and other retailers.	21%

**II Product Services**

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Steel, Pipes and Tubes	477,466	67%
2.	HR, CR, GP, GC, Flat Steel Products	477,466	8%
3.	TMT Rebars	477,466	3%
4.	Colour Coated Profiles	477,466	8%
5.	Angle, Channel, Rerolled long products	477,466	5%
6.	PVC Pipes & Fittings	477,466	1%
7.	CP Fittings, Sanitary ware and tiles	477,466	8%

**III. Operations**

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	-	8	8
International	-	-	-

17. Markets served by the entity:

a. Number of locations

Location	Number
National (No. of States)	10 States 1 Union Territory
International (No. of Countries)	Nil

b. What is the contribution of exports as a percentage of the total turnover of the entity? NIL

c. A brief on types of customers: Our business is broadly divided into three verticals; Retail, Channel & Enterprise. The types of customers are as follows:-

- i. Retail : Individual home owners, Influencers like Contractors, Plumbers, Architects etc.,
- ii. Channel: Dealers and Retailers
- iii. Enterprise: Automobile ancillaries, PEB Fabrication units, Developers, Engineering Industry.



#### IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	730	641	88%	89	12%
2.	Other than Permanent (E)	258	247	96%	11	4%
3.	<b>Total Employees (D + E)</b>	<b>988</b>	<b>888</b>	<b>90%</b>	<b>100</b>	<b>10%</b>
<b>WORKERS</b>						
4.	Permanent (F)	0	0	0	0	0
5.	Other than Permanent (G)	0	0	0	0	0
6.	<b>Total workers (F + G)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)	1	1	100	0	0
2.	Other than Permanent (E)	1	1	100	0	0
3.	<b>Total differently abled Employees (D + E)</b>	<b>1</b>	<b>1</b>	<b>100</b>	<b>0</b>	<b>0</b>
<b>WORKERS</b>						
4.	Permanent (F)	0	0	0	0	0
5.	Other than Permanent (G)	0	0	0	0	0
6.	<b>Total differently abled workers (F + G)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>





## 19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of	
		No. (B)	% (B / A)
Board of Directors	7	1	14%
Key Management Personnel	2	1	50%

## 20. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	FY 2022 (Turnover rate in current FY)			FY 2021 (Turnover rate in previous FY)			FY 2020 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	88%	12%	100%	87%	13%	100%	86%	14%	100%
Permanent Workers	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

## V. Holding Subsidiary and Associate Companies (including Joint ventures)

## 21. (a) Names of holding /subsidiary/associate companies /joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed Entity	Does the entity indicated at column A, participate in the Business Responsibility initiative of the listed entity? (Yes/No)
1.	Taurus Value Steel & Pipes Private Limited	Wholly-Owned Subsidiary	100%	No
2.	Vishal Precision Steel Tubes & Strips Private Limited	Wholly-Owned Subsidiary	100%	No
3.	Century wells Roofing India Private Limited	Wholly-Owned Subsidiary	100%	No
4.	Steel Network Holdings Pte Limited	Wholly-Owned Subsidiary	100%	No

## VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act 2013: (Yes/No): - Yes.  
(ii) Turnover (in Crore): ₹2,328.75  
(iii) Net Worth (in Crore): ₹376.96



## VII. Transparency and Disclosures Compliances

23. Complaints/ Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in place (Yes/No) (if yes, then provide web-link for grievance redress policy)	FY 2022 Current Financial year		Remarks	FY 2021 previous Financial year		Remarks
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	
Communities	No	-	-	-	-	-	-
Investors (other than shareholders)	No	-	-	-	-	-	-
Shareholders	Yes	16	-	-	8	-	-
Employees and Workers (includes former employees)	Yes	-	-	-	-	-	-
Customers	Yes	-	-	-	-	-	-
Value Chain Partners	-	-	-	-	-	-	-
Others (Anonymous reporters or others who do not fall under above categories)	-	-	-	-	-	-	-



**24. Overview of the entity's material responsible business conduct issues**

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative)
1.	Stakeholder engagement	Opportunity	Opportunity to engage and seek stakeholder inputs to integrate business practices as appropriate.	The company has a continual stakeholder engagement process.	The Company is in the process of calculating the financial implications of the identified risks/ opportunities.
2.	Operations environment	Opportunity	Opportunity to bring in resource conservation and reduced costs along with mitigating negative impacts of non-compliances.	All environmental compliances are met.	
3.	Human Rights & labour	Risk	Responsibility to identify and manage Human Rights risks in its operation and supply chain and mitigate from adverse risks and consequential damages.	Have Code of Conduct in place along with process to evaluate risks at all levels of operations.	
4.	Ethics	Risk	Ethical behaviour is acting in ways that are consistent with how the company views moral principles and values. Lack of adherence can have reputational risks arising out of lack of integrity, organizational relationship problems, and conflicts of interest.	Shankara Code of Conduct provides a framework for employees and stakeholders to put business principles into practice with utmost integrity. Compliance is monitored and non-compliance is strictly taken action upon.	
5.	Employee well-being	Opportunity	Employee well-being is critical to the Business operations and overall responsibility of the Company to manage well-being aspects of its critical stakeholder.	Well-being initiatives have been undertaken for employees and workers.	

At Shankara, the sustainability focus areas were determined through a thorough materiality analysis of the expectations and requirements of key stakeholder groups, including customers, suppliers, local communities and others.



## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

No	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	<b>Policy and management processes</b>									
1.	Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
2.	Has the policy been approved by the board?	Yes*	Yes***	Yes**	Yes**	Yes*	Yes**	No	Yes***	Yes****
3.	Web Link of the Policies, if available	<a href="https://www.shankarabuildpro.com/financials.html#">https://www.shankarabuildpro.com/financials.html#</a>								
4.	Whether the entity has translated the policy into procedures (Yes/No)	No	No	No	No	No	No	No	No	No
5.	Do the enlisted policies extend to your value chain partner (Yes/No)	No	No	No	No	No	No	No	No	No
6.	Name of the National and international codes/certifications/labels/ standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	ISO 9001:2015								
7.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	-								
8.	Performance of the entity against the specific commitments' goals and targets along with reasons in case the same are not met.	-								
	Governance, leadership and oversight									
9.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure): Please refer Management Discussion and Analysis Report.									
10.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies). No. The Company Board of Directors is responsible for implementation and oversight of the Business Responsibility policy.									
11.	Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details :- NO									

\* Shankara Code of Conduct

\*\* Corporate Social Responsibility Policy

\*\*\*Shankara Vision & Mission

\*\*\*\*Shankara Quality Policy



**10. Details of Review of NGRBCs by the Company:**

Subject for review	Indicate whether review was undertaken by Director/ Committee of the Board/Any Other Committee									Frequency (Annually/ Half yearly/quarterly/ Any other-please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Yes									On a need basis								
Compliance with Statutory requirements of relevance to the principles and rectification of any non-compliances	Yes																	

**11. Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/ no). If yes, provide name of the agency.**

No

**12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:**

Not Applicable.

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									



## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

### PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

#### Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:			
Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% age of the persons in the respective category covered by the awareness programmes
Board of Directors	Familiarization Programme at regular intervals, in each Board Meeting	At each meeting of the Board/ Audit Committee, members also deliberate on key integrity matters that helps to reflect and focus on key strategies and financials. As a part CSR agenda, members also discuss various sustainable initiatives of the Company.	100%
Key Managerial Personnel	-	Topics pertaining to Code of Conduct are familiarized.	100%
Employees other than Board of Directors and KMPs	-	Code of Conduct at workplace	100%

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption: N/A.

	FY 2022 (Current Financial year)	FY 2021 (Previous Financial Year)
Directors	NIL	NIL
KMPs		
Employees		
Workers		



**6. Details of complains about conflict of interest-**

	<b>FY 2022 (Current Financial year)</b>	<b>FY 2021 (Previous Financial Year)</b>
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	NIL
Number of complaints received in relation to issues of conflict NIL of Interest of the KMPs		

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/ law enforcement agencies/ judicial institutions on cases of corruption and conflicts of interest:

Nil

**Leadership Indicators**

1. Awareness programmes conducted for value chain partners on any principles during the financial year:

In the Company's Code of Conduct and general terms and conditions, the Company has emphasized on all integrity aspects which are applicable to all suppliers.

2. Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

Yes.

**PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe.**

**Essential Indicators**

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively :

Not Applicable.

**Leadership Indicators**

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the format:

Not Applicable.

2. If there are any significant social or environmental concerns and /or risks arising from production or disposal of your products/ services, as identified in the Life Cycle Perspective/ Assessments (LCA) or through any other means, briefly describe the same along with action taken to mitigate the same:

Nil.





**PRINCIPLE 3 Businesses should respect and promote the well-being of all employees including those in their value chains.**

**Essential Indicators**

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by:									
	Total (A)	Health Insurance		Accident insurance		Maternity benefits		Paternity benefits availed		Day Care facilities
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	(D) % (D/A)	Number (E)	% (E/A)	
Permanent employees										
Male	*301	*301	100%	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Female	*27	*27	100%	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Total</b>	<b>328</b>	<b>328</b>	<b>100%</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
Other than Permanent employee (workers)										
Male	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Female	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

\*Note: Include employees other than ESI coverage.

2. Details of retirement benefits for Current FY and Previous financial year

Benefits	FY 2022 Current financial year			FY 2021 Previous financial year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A)
Gratuity	65%	Nil	yes	72%	Nil	yes



### 3. Accessibility of workplaces

Are the premises/offices of the entity accessible to differently-abled employees and workers as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes. The Company's existing and new infrastructure has a comprehensive plan to address accessibility of workplaces.

Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016?

The Company encourage diversity in the workplace. All applicants will receive consideration for employment without regard to their sex, gender identity race, color, religious creed, national origin, physical disability.

### 5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Non-Permanent workers	
	Return to work rate	Retention Rate	Return to work rate	Retention rate
Male	Nil	Nil	Nil	Nil
Female	Nil	Nil	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker (Permanent Workers/Employees)? If yes, give details of the mechanism in brief.

Employees can report their concerns initially to their Direct Management, Human Resource Head.

7. Membership of employees and worker in association(s) or unions recognized by the listed entity:

Not Applicable

8. Details of performance and career development reviews of employees and worker.

Throughout the year, line managers and employees regularly review and discuss performance, development for all employees.

9. Health and safety management system

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage of such system:

Yes. The Company provide safe and healthy working conditions for the prevention of incidents and work-related illness.



10. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022 Current financial year	FY 2021 Previous financial year
Lost Time Injury Frequency Rate (LTIFR) (per one million- person hours worked)	Employees	Nil	Nil
	Workers	Nil	Nil
Total recordable work-related injuries	Employees	Nil	Nil
	Workers	Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	Nil	Nil

11. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Planning & risk analysis identifies opportunities to eliminate hazards, and to reduce risks and adverse impacts.

#### **Competence, communication & support**

12. Number of Complaints on the following made by employees and workers:

NIL

#### **Leadership Indicators**

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)?

A) Yes

B) No

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company is compliant to statutory dues of employees towards income tax, provident fund, professional tax, ESIC etc. as applicable from time to time.

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill health / fatalities (as reported in Q11 of

Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Nil

#### **PRINCIPLE 4: Businesses should respect the interests of and be responsive of all its stakeholders**

##### **Essential Indicators**

1. Describe the process for identifying key stakeholder groups:

The stakeholders that could be identified can be employees, shareholders and investors, customers, key partners, regulators, lenders, vendors. Key stakeholders are identified in consultation with the Company's management. The key stakeholder groups that will be the recipient of the Company's CSR contribution are decided by the Board of Directors' CSR Committee.

##### **Leadership Indicators**

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental and social topics or if consultation is delegated how is feedback from such consultations provided to the Board.

Key stakeholders are identified through an



exercise undertaken in consultation with the Company's management. The prioritized list includes everyone from customers, employees, shareholders, investors, vendors, government and regulatory bodies, communities and NGOs etc. The Consultation medium between stakeholders, Company Management, and Board takes place through various channels.

2. Whether stakeholder consultation is used to support the identification and management of environmental and social topics (Yes/No) If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity:

No

3. Provide details of instances of engagement with and actions taken to address the concerns of vulnerable / marginalized stakeholder groups.

Several programs under the Company's CSR have been implemented to address the above vulnerable groups.

## PRINCIPLE 5: Businesses should respect and promote Human Rights

### Essential Indicators

1. Employees and workers who have been provide training on human rights issues and policy (ies) of the entity.

All employees are provided with Human Rights training. For all new employees who are on boarded, Human Rights awareness is part of the induction session.

2. Details of minimum wages paid to employees and workers

As both Central and State Government have authorization over fixing the wages, the State Governments fix their own scheduled employments and further release the rates of Minimum Wage along with the VDA (Variable Dearness Allowance). The wage rates in scheduled employments differ across states, sectors, skills, regions and occupations owing to a lot of differentiating factors. Hence, there is no single uniform minimum wage rate across the country and the revision cycle differs for each state. However Minimum wages are paid and adhered to by the Company as per the Minimum Wages Act, 1948.

3. Details of remuneration /salary/wages in the following format:

	Male		Female	
	Number	Median remuneration salary/wages of respective category	Number	Median remuneration /salary/wages of respective category
Board of Directors (BoD)	2	33.60%	-	-

4. Do you have a focal point (Individual/Committee) responsible for addressing Human Rights impacts issues caused or contributed to by the business? (Yes/No):

No

5. Describe the internal mechanism in place to redress grievances related to Human Rights issues.

The Company resolved through formal grievance mechanism.





6. Number of complaints on the following made by employees and workers:

	FY 2022 Current financial year			FY 2021 Previous financial year		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment						
Discrimination at workplace (discriminations based on caste, age, gender, ethnic backgrounds, or other factors etc.)						
Child labour						
Forced labour/Involuntary Labour						
Wages						
Other human rights related issues						
		NIL			NIL	

7. Mechanisms to prevent adverse consequences to the complaints in discrimination and harassment cases.

As per the Shankara Code of Conduct.

8. Do Human Rights requirements form a part of your business agreements and contacts? (Yes/No):

No.

**Leadership Indicators**

1. Details of a business process being modified/introduced as a result of addressing Human Rights grievances/ complaints:

Nil

2. Details of the scope and coverage of human rights due diligence conducted:

Nil

3. Is the premise/office of the entity accessible to differently-abled visitors as per the requirements of the Rights of Persons with Disabilities Act, 2016:

Yes

4. Details on assessment of value chain partners:

Nil

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessment at Question 4 above:

Not Applicable.



## PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

### Essential Indicators

1. Details of total energy consumption (in MWh) and energy intensity, in the following format:

Parameter	FY 2022 Current financial year	FY 2021 Previous financial year
Total electricity consumption (A)	NA	NA
Total fuel consumption (B)	NA	NA
Energy consumption through other sources (C)	NA	NA
Total energy consumption (A+B+C)	NA	NA
Energy intensity per Rupee of turnover (Total energy consumption turnover in Rupees) (MWh/INR Crores)	NA	NA
Energy intensity (optional)- the relevant metric may be selected by the entity	NA	NA

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken if any.

No. The PAT scheme is not applicable

3. Provide details of the following disclosures related to water in the following format:

Parameter	FY 2022 Current financial year	FY 2021 Previous financial year
Water withdrawal by source (in KL)	NA	NA
(i) Surface water	NA	NA
(ii) Groundwater	NA	NA
(iii) Third party water	NA	NA
Seawater/desalinated water	NA	NA
(iv) Others (Rainwater use)	NA	NA
Total volume of water withdrawal (in KL) (i + ii + iii+ iv + v)	NA	NA
Water intensity per rupee of turnover (Water consumed/turnover) (KL/₹ - Crores)	NA	NA
Water intensity (optional) – the relevant metric may be selected by the entity	NA	NA



4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation:

Not Applicable.

5. Please provide details of air emissions (other than GHG emission) by the entity, in the following format:

Parameter	Please specify unit	FY 2022 Current financial year	FY 2021 Previous financial year
NOx	-	-	-
Sox	-	-	-
Particulate Matter (PM)	-	-	-
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)			
Others-please specify	-	-	-

6. Does the entity have any project related to reducing Greenhouse Gas emission? If yes, the provide details:

Nil

7. Provide details related to waste management by the entity:

Nil

8. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxics chemicals in your products and processes and the practices adopted to manage such wastes:

Nil

9. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspot, forests, coastal regulation zones etc.) where environmental approvals/ clearances are required, specify details in the following format.

S. No	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken if any
Not Applicable			



10. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws in the current financial year:

Name and brief details of projects	EIA Notifications No	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No)	Relevant Weblink
Not Applicable					

11. Is the entity compliant with the applicable environmental law/regulations/ guidelines in India; Such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, and Environment protection at and rules thereunder (Y/N). If not, provide details of all such non-compliances:

Yes

#### Leadership Indicators

1. Provide break-up of the total energy consumed (in Mwh) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022 Current financial year	FY 2021 Previous financial year
From renewable sources	NA	NA
Total electricity consumption (A)	NA	NA
Total fuel consumption (B)+	NA	NA
Energy consumption through other sources (C)	NA	NA
Total energy consumed form renewable sources (A+B+C)	NA	NA
From non-renewable sources	NA	NA
Total electricity consumption (D)	NA	NA
Total fuel consumption (E)+	NA	NA
Energy consumption through other sources (F)	NA	NA
Total energy consumed form renewable sources (D+E+F)	NA	NA



2. Provide the following details related to water discharged:

<b>Parameter</b>	<b>FY 2022 Current financial year</b>	<b>FY 2021 Previous financial year</b>
Water discharge by destination and level of treatment (in kilolitres)	NA	NA
(i) To Surface water	NA	NA
No treatment	NA	NA
With treatment-please specify level of treatment	NA	NA
(ii) To Groundwater	NA	NA
No treatment	NA	NA
With treatment-please specify level of treatment	NA	NA
(iii) To Seawater	NA	NA
No treatment	NA	NA
With treatment-please specify level of treatment	NA	NA
(iv) Sent to third –parties	NA	NA
No treatment	NA	NA
With treatment-please specify level of treatment	NA	NA
(v) Others (municipal sewerage system after State pollution control board permission)	NA	NA
No treatment	NA	NA
With treatment & complying with discharge Quality & Quantity limit based on Consent to Operate	NA	NA
Total water discharged (in KL)	NA	NA



3. Water withdrawal consumption and discharge in the areas of water stress (in KL):  
For each facility/plant located in areas of water stress, provide the following information:

(i) Name of the area

(ii) Nature of operations

(iii) Water withdrawal consumption and discharge in the following format:

Parameter	FY 2022 Current financial year	FY 2021 Previous financial year
Water withdrawal by source (in KL)	NA	NA
(i) Surface water	NA	NA
(ii) Groundwater	NA	NA
(iii) Third party water	NA	NA
(iv) Seawater /desalinated water	NA	NA
(v) Others (rain water)	NA	NA
Total volume of water withdrawal (in KL)	NA	NA
Total volume of water consumption (in KL)	NA	NA
Water intensity (optional)-the relevant metric may be selected by the entity	NA	NA
Water discharge by destination and level of treatment (in KL)	NA	NA
(i) Into Surface water	NA	NA
No treatment	NA	NA
With treatment – please specify level of treatment	NA	NA
(ii) Into Groundwater	NA	NA
No treatment	NA	NA
With treatment – please specify level of treatment	NA	NA
(iii) Into Seawater	NA	NA
No treatment	NA	NA
With treatment – please specify level of treatment	NA	NA
(iv) Sent to third parties	NA	NA
No treatment	NA	NA
With treatment – please specify level of treatment	NA	NA
(v) Others (To municipal sewerage)	NA	NA
No treatment	NA	NA
With treatment & complying with discharge Quality & Quantity limit based on Consent to Operate	NA	NA
Total water discharged (in KL)	NA	NA





4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2022 Current financial year	FY 2021 Previous financial year
Total Scope 3 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	-	-
Total Scope 3 emissions per Rupee of		-	-
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

5. With respect to the ecologically sensitive areas reported at Question 10 of essential Indicators above, provide details of significant direct and indirect impact of the entity on bio-diversity in such areas along with prevention and remediation activities:

Not Applicable

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency or reduce impact due to emission/ effluent discharge/ waste generated please provide details of the same as well as outcome of such initiatives as per the following format:

S. No	Initiative undertaken	Details of the initiatives (Web-link, if any, may be provided along with summary)	Outcome of the initiative
Not Applicable			

7. Does the entity have a business continuity and disaster management plan?

No

8. Disclosure any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

Not available

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts:

Not available

### **PRINCIPLE 7: Businesses, when engaging in influencing public a regulatory policy, should do so in a manner that is responsible and transparent**

#### **Essential Indicators**

1. a. Number of affiliations with trade and industry chambers/ associations: Ten



b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of /affiliated to as provide below:

S. No	Name of the trade and Industry chambers/associations	Reach of trade and industry chambers /associations (State/National)
1.	Peenya Industries Association	State
2.	FKCCI, Karnataka Chambers of Commerce & Industry	State
3.	FEI (Federation of Engineering Industry)	State
4.	Karnataka Pipes Dealer Association	State
5.	Bangalore Iron & Steel Merchant Association	State
6.	Bangalore Builders Association	State
7.	Telangana State Tube Manufacturers Association	State
8.	Salem Pipe Dealers Association	State
9.	Canara Chambers Association	State
10.	Steel Association	State

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Not applicable since the Company has not received any issues related to anti-competitive conduct.

#### Leadership Indicators

1. Details of public policy positions advocated by the entity

S. No	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain (Yes/No)	Frequency of by Board (Annually Half Quarterly/ Others please specify)	Web Link, if available
Nil					

### PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

#### Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Not Applicable. As there were no projects that required SIA as per law in the current year.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Nil



3. Describe the mechanisms to receive and redress grievances of the community.

The Company has in place Stakeholder's Relationship and Sexual Harassment Committee for grievances. However, the employees and workers can approach to the Human Resource Department for any grievances. The Company has contact details and email on its website for enquiry related to Company's service and sales query.

**Leadership Indicators**

1. Provide details of actions taken to mitigate any negative social impacts identified in Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Not applicable

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by Government bodies:

6. Details of beneficiaries of key CSR Projects:

S. No	CSR project	No. of persons benefitted from CSR projects annually	% of beneficiaries from vulnerable and marginalized groups
1.	Concern India Foundation	Water shed Programme, Sustainable Livelihood through Community Based Farming Practices.	All our CSR initiative are for the support of the underprivileged, those who belong to the vulnerable/ marginalized section of the society.
2.	Amar Seva Sangh	Vocational Training and Sponsorship for spinal cord & medical checkup	

The Company is committed towards the development of society and extended its support to the projects in the areas of promoting education, healthcare infrastructure, supporting primary education, environment sustainability, rehabilitating abandoned women and children.

3. (a) Do you have a preferential procurement policy where you give preference to purchase from supplies comprising marginalized / vulnerable groups? (Yes/No):

No

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Not Applicable

5. Details of corrective actions taken or underway based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved:

Not Applicable

**PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner**

**Essential Indicators**

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

In order to address any customer query, issues and complaints, the Company has separate email id and contact number.



## 2. Number of consumer complaints in respect of the following

Sl. No	FY 2022 (Previous financial year)		Remarks	FY 2021 Previous financial year		Remarks
	Received during the year	Pending resolution at the end of year		Received during the year	Pending resolution at the end of year	
1.	Nil			Nil		

## 3. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Nil	Nil
Forced recalls		

4. Provide details of any corrective actions taken or underway on issues relating to advertising and delivery of essential services cyber security and data privacy of customers re-occurrence of instances of product recalls penalty action taken by regulatory authorities on safety of products/services :-

Nil.

5. Does the entity have a framework /policy on cyber security and risks related to data privacy? (Yes/No) If available provide a web-link of the policy:

No

6. Provide details of any corrective actions taken or underway on issues relating to advertising and delivery of essential services cyber security and data privacy of customers re-occurrence of instances of product recalls penalty action taken by regulatory authorities on safety of products/services:

Nil.

## Leadership Indicators

1. Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available): Weblink <https://buildpro.store/>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services:

Not Applicable

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services:

Not Applicable

4. Provide the following information relating to data breachers:

a. Number of instances of data breaches along-with impact: Nil

b. Percentage of data breaches involving personally identifiable information of customers:

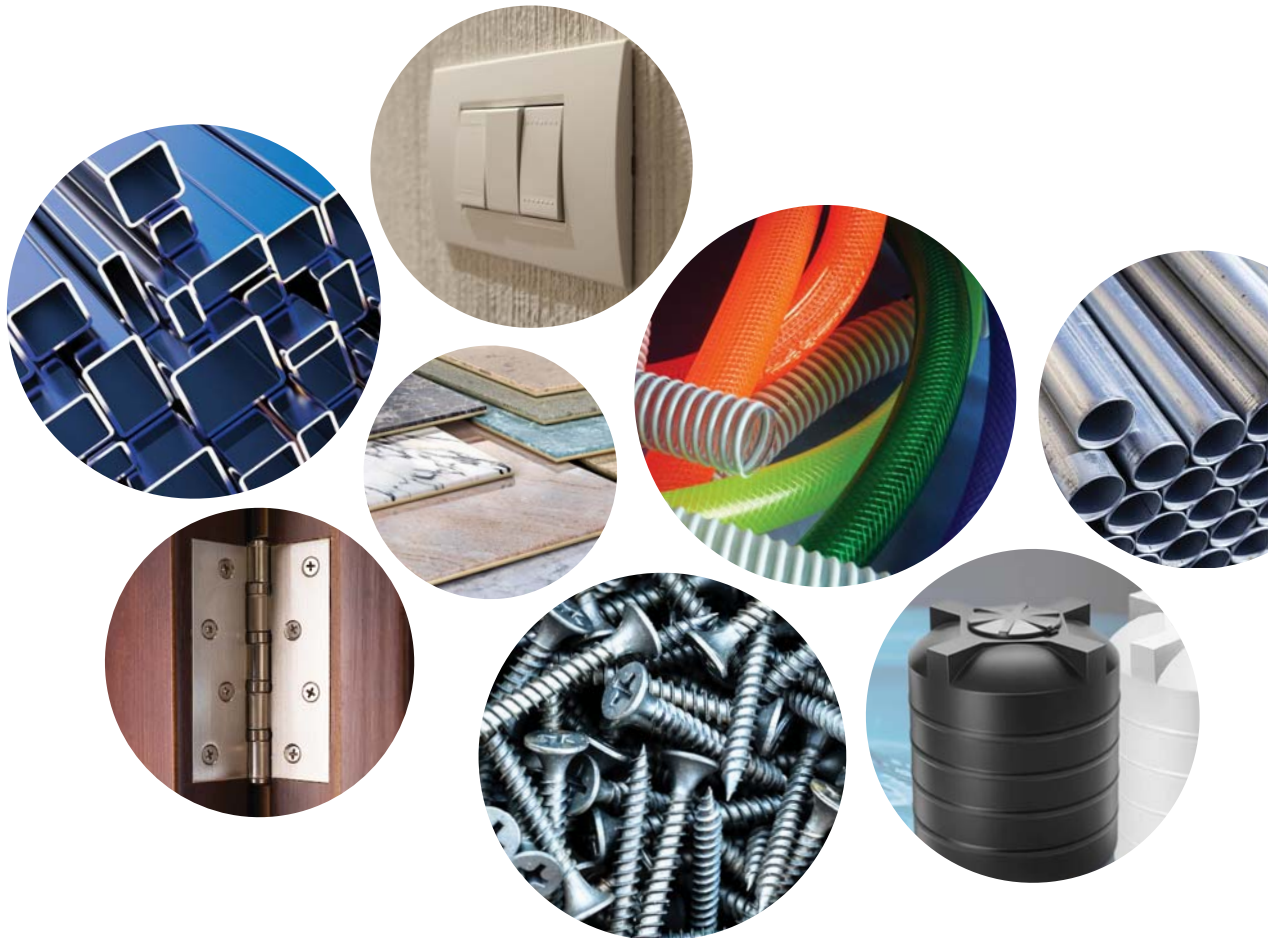
Nil







**CONSOLIDATED AUDIT REPORT  
AND FINANCIALS | 2021 - 2022**







To the Members of  
Shankara Building Products Limited  
Bengaluru - 560001.

### Report on the Audit of Consolidated Indian Accounting Standards ('Ind AS') financial statements

#### Opinion

We have audited the accompanying consolidated financial statements of Shankara Building Products Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2022, and the consolidated Statement of Profit and Loss, (including other comprehensive income), consolidated Statement of Changes in Equity and consolidated Cash Flow Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting

principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, of its consolidated profit (including other comprehensive income), consolidated changes in equity and consolidated cash flows for the year then ended.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How the matter was addressed in our audit
<p><b>Inventory existence and valuation</b></p> <p>Inventory is held in various locations by the Holding Company. There are complexities and manual process involved in determining inventory quantities on hand and valuation of the same due to the diverse &amp; numerous inventory products, multiple storage locations and price fluctuations of products. Hence, inventory quantities and valuation thereof is identified as a key audit Matter.</p>	<p><b>We have performed the following procedures:</b></p> <ul style="list-style-type: none"><li>• We have attended inventory counts at certain locations, which we selected based on financial significance and risk, observed management's inventory count procedures to assess the effectiveness, selected a sample of inventory products and compared the quantities counted to the quantities recorded and ensured inventory adjustments, if any, are recorded in the books of accounts.</li><li>• Comparative analysis of inventory as at the end of the year with the inventory at the beginning of the year.</li></ul>



Key audit matter	How the matter was addressed in our audit
	<ul style="list-style-type: none"><li>• we assessed whether the management's controls relating to inventory's valuation are appropriately designed and implemented.</li><li>• Verification of the correctness of valuation made by the management on a sample basis, with regard to the cost and net realizable value of inventory.</li></ul>
<p><b>Carrying value of Goodwill</b></p> <p>The group has recognised goodwill on consolidation involving three subsidiaries amounting to ₹14.04 crore. The goodwill has to be tested for impairment annually, which requires significant judgement on the part of the management in identifying and valuing the relevant Cash Generating Unit that contains goodwill.</p>	<p>The Board of Directors of the holding company has tested whether there is any impairment of goodwill recognised in the financials viz. ₹14.04 crore. The projected discounted cash flow of the respective cash generating unit was considered in detail and on such due consideration, the Board has come to the conclusion that goodwill has not suffered any impairment and can be carried at ₹14.04 crore.</p> <p>We have considered the basis on which the Board has arrived at this consideration and we agree with their assessment.</p>

As a result of the above audit procedures no material differences were noted. We confirm the adequacy of disclosures made in the Financial Statements.



### Key Audit Matter relating to a subsidiary viz. Vishal Precision Steel Tubes and Strips Private Limited (extract from the report of the Statutory Auditors)

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED
<p><b><u>ASSESSMENT OF THE APPROPRIATENESS OF THE ALLOWANCE FOR DOUBTFUL DEBTS.</u></b></p> <ul style="list-style-type: none"><li>• Trade Receivable comprises 25.02% (2020-21 24.66%) of the total assets in the Statement of Financial Position (the Balance sheet)</li><li>• The appropriateness of the allowance for doubtful debts is subjective due to high degree of judgement applied by the management in determining the impairment provision. Although there is quantum jump in the overall debtors' values, the increase in terms of percentage of assets has not marked a significant growth. The poor economic conditions on account of the outbreak of Covid 19 and consequent to the lockdown imposed by the central and state Government have put pressure on customers' ability to repay their outstanding balances. As the customer balances differ in different locations comprised in containment zones and free zones, this requires specific attention at the reporting period.</li><li>• Due to the significance of trade receivables and the related estimation uncertainty, this is considered as key audit risk.</li></ul> <p><b><u>INVENTORY PROVISION</u></b></p> <ul style="list-style-type: none"><li>• Inventory comprises of 32.23% (2020-21 28.56%) of the total assets in the statement of financial position (Balance sheet).</li><li>• As discussed in the Notes on Accounts, the management has made provision for markdowns against inventory in respect of damaged, unmarketable, unserviceable and have become obsolete.</li></ul>	<p><b><u>Our procedure included among others:</u></b></p> <ul style="list-style-type: none"><li>• Evaluated the debtor impairment methodology applied in the current year against the requirements of Ind AS 113 in respect of fair valuation.</li><li>• Analysed the methodology by comparing the prior year provision to the actual current year write offs. Assessed key ratios which include cash collections, days outstanding and delinquencies.</li><li>• We considered the changes in credit strategy and assessed the impact on the allowances for doubtful debts.</li><li>• Assessed the changes in the economy with particular reference to the sector where the company predominantly operates and the impact on the collectively of the trade receivables. Based on the above, we satisfied ourselves that the management had taken reasonable judgements that were materially supported by the available evidence in respect of the receivable balances. We did not encounter any issues through these audit procedures that indicated that provisioning in respect of trade receivables was inappropriate.</li></ul> <p><b><u>Our procedure included, among others:</u></b></p> <ul style="list-style-type: none"><li>• Compared the provision/valuation methodology applied by the management by comparing to previous year methodology.</li><li>• Evaluated the assumptions and judgements applied by the management in determining such markdown provision/valuation.</li><li>• Tested and evaluated historical information, data trends and ageing profiles and shelf lives.</li><li>• Analysed the provisions by performing analytical procedures on provisioning/valuation levels including against historical experience.</li></ul>



KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED
<ul style="list-style-type: none"> <li>The allowance for markdown of inventory takes into account the historic information related to sales trends and estimated net realisable value has been applied in respect of the class of inventory stated above. This requires significant management judgement based on past experience, inventory ageing profile as well as different market factors impacting sale of these products. As these factors change each year, this required specific focus on the current year assumptions. Further due to the significance of the inventories and related estimation uncertainty, this is considered as key audit risk. Accordingly the markdown against inventory is considered to be a key audit matter and disclosure is included in the Notes on accounts.</li> </ul>	

Key Audit Matter relating to a subsidiary viz. Centurywells Roofing India Private Limited (extract from the report of the Statutory Auditors )

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED
<p><b><u>ASSESSMENT OF THE APPROPRIATENESS OF THE ALLOWANCE FOR DOUBTFUL DEBTS.</u></b></p> <ul style="list-style-type: none"> <li>Trade Receivable comprises 46.25% (2020-21 49.90%) of the total assets in the Statement of Financial Position (the Balance sheet)</li> <li>The appropriateness of the allowance for doubtful debts is subjective due to high degree of judgement applied by the management in determining the impairment provision. Although there is quantum jump in the overall debtors' values, the increase in terms of percentage of assets has not marked a significant growth.</li> <li>The recoverability of trade receivables and the level of provisions for bad and doubtful debts are considered to be key risk due to the significance of these balances to the financial statements and the judgement required in making appropriate provisions.</li> <li>The disclosure is set out in the Note under Schedule 10.</li> </ul>	<p><b><u>Our procedure included, among others:</u></b></p> <ul style="list-style-type: none"> <li>Evaluated the debtor impairment methodology applied in the current year against the requirements of Ind AS 113 in respect of fair valuation.</li> <li>Analysed the methodology by comparing the prior year provision to the actual current year write offs. Assessed key ratios which include cash collections, days outstanding and delinquencies.</li> <li>We considered the changes in credit strategy and assessed the impact on the allowances for doubtful debts.</li> <li>Assessed the changes in the economy with particular reference to the sector where the company predominantly operates and the impact on the collectively of the trade receivables.</li> </ul> <p>Based on the above, we satisfied ourselves that the management had taken reasonable judgements that were materially supported by the available evidence in respect of the receivable balances. We did not encounter any issues through these audit procedures that indicated that provisioning in respect of trade receivables was inappropriate.</p>



KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED
<p><b><u>INVENTORY PROVISION</u></b></p> <ul style="list-style-type: none"> <li>• Inventory comprises of 32.42% (2020-21 26.69%) of the total assets in the statement of financial position (Balance sheet).</li> <li>• As discussed in the Notes on Accounts, the management has made provision for markdowns against inventory in respect of damaged, unmarketable, unserviceable and have become obsolete.</li> <li>• The allowance for markdown of inventory takes into account the historic information related to sales trends and estimated net realisable value has been applied in respect of the class of inventory stated above.</li> </ul> <p>This requires significant management judgement based on past experience, inventory ageing profile as well as different market factors impacting sale of these products. As these factors change each year, this required specific focus on the current year assumptions. Further due to the significance of the inventories and related estimation uncertainty, this is considered as key audit risk. Accordingly the markdown against inventory is considered to be a key audit matter and disclosure is included in the Notes on accounts.</p>	<p><b><u>Our procedure include, among others:</u></b></p> <ul style="list-style-type: none"> <li>• Compared the provision/valuation methodology applied by the management by comparing to previous year methodology.</li> <li>• Evaluated the assumptions and judgements applied by the management in determining such markdown provision/valuation.</li> <li>• Tested and evaluated historical information, data trends and ageing profiles and shelf lives.</li> <li>• Analysed the provisions by performing analytical procedures on provisioning/valuation levels including against historical experience.</li> </ul>

**Information Other than the Consolidated Ind AS financial statements and Auditors' Report Thereon**

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report but does not include the financial statements and our report thereon.

Our opinion on the Consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially

inconsistent with the Consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance for the consolidated financial statements**

The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial



position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the each company in the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the each company in the Group.

### **Auditor's Responsibilities for the Audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based





on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter or when, in

extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other matters

(a) We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets of ₹341.96 crore as at March 31, 2022, total revenues of ₹659.29 crore and net cash outflows amounting to ₹7.79 crore for the year then ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the Consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

(b) The financial information of one subsidiary, whose financial statements / financial information reflect total assets of ₹0.13 crore, nil total revenue and net cash outflows amounting to ₹0.08 crore as of and for the year ended March 31, 2022, are considered in the Consolidated Ind AS financial statements. These financial information are **UNAUDITED** and have been furnished to us by the management and our opinion on the Consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial information. According to the information and explanations given to us by the management, these financial information are not material to the Group and we concur.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Management.



## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3), we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated statement of Changes in Equity and the Consolidated Cash Flows Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and on the basis of the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, the remuneration paid / provided during the year to directors is in accordance with the provisions of section 197 of the Act, in respect of

the Holding Company. Remuneration was not paid to the director(s) of the subsidiaries.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations as at March 31, 2022 on the consolidated financial position of the Group - Refer note no. 39 to the consolidated financial statements.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended March 31, 2022.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its Indian subsidiary companies.

iv. a) The Management of the Holding Company and the subsidiaries (incorporated in India) have represented that, to the best of its knowledge and belief, other than as disclosed in notes to account (refer note no. 53), no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The Management of the Holding Company and the subsidiaries (incorporated in India) have represented that, to the best of its knowledge and belief, other than as disclosed in the note no. 54 to consolidated financial statements, no funds have been received by the Group from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group



## INDEPENDENT AUDITOR'S REPORT

shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations provided under sub-clause (a) and (b) above, contain any material misstatement.

v. No interim dividend was declared during the year. However, the Board of the Holding Company at its meeting held today has recommended a final dividend of Re. 1/- per equity share (face value of ₹10/- each) subject to the approval of the shareholders in the ensuing Annual General Meeting. This is in accordance with the provisions of the section 123 of the Act.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO report issued by us for the Holding Company and by other auditors in respect of subsidiaries included in the consolidated financial statements, we report that there are no qualifications or adverse remarks in these CARO reports.

Place : Bengaluru  
Date : May 16, 2022

For **Sundaram & Srinivasan**  
Chartered Accountants  
Firm Registration. No. 004207S

**Venkatasubramanian.S**  
Partner  
Membership No. : 219238  
ICAI UDIN : 22219238AJAKCQ5371



## **Annexure A - Report on the Internal Financial Controls with reference to financial statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to financial statements of Shankara Building Products Limited (hereinafter referred to as “the Holding Company”), and its Indian subsidiary companies (the Holding Company and its Indian subsidiaries together referred to as “the Group”), as of that date.

### **Management’s Responsibility for Internal Financial Controls with reference to Financial Statements**

The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to financial statements based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (“the ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls with reference to financial statements that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements of the group, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of

Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to financial statements of the group, which are companies incorporated in India.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control with reference to financial statements includes those policies and procedures that



(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls to future periods are subject to the risk that the

internal financial control with reference to financial statements may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Holding Company and its Indian subsidiary companies, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to financial statements criteria established by the respective company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

### **Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to three Indian subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies.

For **Sundaram & Srinivasan**  
Chartered Accountants  
Firm Registration. No. 004207S

**Venkatasubramanian.S**  
Partner  
Membership No. : 219238  
ICAI UDIN : 22219238AJAKCQ5371

Place : Bengaluru  
Date : May 16, 2022









Particulars	Note No	As at 31-03-2022	As at 31-03-2021
<b>I ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant and Equipment	4	225.77	219.49
(b) Capital work-in-progress	4 (a)	1.56	2.41
(c) Investment Property	5	9.56	8.61
(d) Right-of-use Asset	6, 41 (b)	8.60	13.96
(e) Goodwill	7 (a)	14.04	14.04
(f) Other Intangible assets	7 (b)	-	-
(g) Financial Assets			
i) Trade receivables	8	3.17	3.81
ii) Loans	9	0.06	0.06
iii) Other financial assets	10	9.56	9.36
(h) Other non-current assets	11	2.14	2.27
<b>Total Non-current assets</b>		<b>274.46</b>	<b>274.01</b>
<b>(2) Current Assets</b>			
(a) Inventories	12	372.33	316.08
(b) Financial Assets			
i) Trade receivables	13	354.00	295.09
ii) Cash and cash equivalents	14	2.48	10.90
iii) Bank balances other than (ii) above	15	4.37	4.27
iv) Other financial assets	16	0.79	0.84
(c) Current Tax Asset (Net)	24 (c)	0.19	-
(d) Other current assets	17	32.16	24.61
<b>Total current assets</b>		<b>766.32</b>	<b>651.79</b>
<b>Total Assets</b>		<b>1,040.78</b>	<b>925.80</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	18	22.85	22.85
(b) Other Equity	19	533.11	498.82
<b>Total Equity</b>		<b>555.96</b>	<b>521.67</b>
<b>Liabilities</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial Liabilities			
i) Borrowings	20	35.55	37.83
(ia) Lease Liabilities	21	10.00	16.61
ii) Other financial liabilities	22	0.11	0.07
(b) Provisions	23	-	-
(c) Deferred tax liabilities (Net)	24(d)	6.84	5.90
<b>Total Non-current liabilities</b>		<b>52.50</b>	<b>60.41</b>

**CONSOLIDATED BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2022 Contd.**

(Rupees in Crores)

Particulars	Note No	As at 31-3-2022	As at 31-03-2021
<b>(2) Current liabilities</b>			
(a) Financial Liabilities			
i) Borrowings	25	86.04	113.84
(ii) Lease Liabilities	26	1.32	0.87
ii) Trade payables	27		
A)Total outstanding dues of Micro Enterprises and Small Enterprises		67.14	0.15
B)Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		251.55	205.40
iii) Other financial liabilities	28	9.48	7.88
(b) Other current liabilities	29	12.80	11.35
(c) Provisions	30	0.78	0.35
(d) Current Tax Liabilities(Net)	24(b)	3.21	3.88
<b>Total current liabilities</b>		<b>432.32</b>	<b>343.72</b>
<b>Total Equity and Liabilities</b>		<b>1,040.78</b>	<b>925.80</b>
Significant accounting policies	1 to 3		

**See accompanying notes to the consolidated financial statements**

As per our report attached of even date

**For SUNDARAM & SRINIVASAN**

Chartered Accountants

ICAI Firm Reg.No: 004207S

**VENKATASUBRAMANIAN.S**

Partner

Membership No: 219238

Place: Bengaluru

Date : 16th May 2022

**For and on behalf of the Board of Directors****Sukumar Srinivas**

Managing Director

DIN: 01668064

**Alex Varghese**

Chief Financial Officer

Place : Bengaluru

Date : 16th May 2022

**C.Ravikumar**

Whole-time Director

DIN: 01247347

**Ereena Vikram**

Company Secretary

ACS Membership No: 33459



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022

(Rupees in Crores)

Particulars	Note No	For the year ended 31-03-2022	For the year ended 31-03-2021
I Revenue From Operations	31	2,418.40	2,038.37
II Other Income	32	3.10	6.22
<b>III Total Income (I+II)</b>		<b>2,421.50</b>	<b>2,044.59</b>
<b>IV Expenses</b>			
Cost of materials consumed	33	568.43	452.78
Purchases of Stock-in-Trade		1,719.68	1,371.98
Changes in inventories of Finished Goods & Stock-in-Trade	34	(43.71)	59.89
Employee benefits expense	35	41.34	34.67
Finance costs	36	24.37	33.08
Depreciation and amortization expense	36(a)	17.24	23.98
Other expenses	37	48.09	48.07
<b>Total expenses (IV)</b>		<b>2,375.44</b>	<b>2,024.45</b>
<b>V Profit before tax (III-IV)</b>		<b>46.06</b>	<b>20.14</b>
<b>VI Tax expense:</b>	24(a)		
Current tax		10.82	8.01
Tax - earlier years		(0.01)	(0.53)
Deferred tax		0.93	(1.19)
<b>Total Tax Expenses</b>		<b>11.74</b>	<b>6.29</b>
<b>VII Profit for the year (V-VI)</b>		<b>34.32</b>	<b>13.85</b>
<b>VIII Other Comprehensive Income</b>			
<b>A Items that will not be reclassified to profit or loss</b>			
(i) Re-measurements of defined benefit plans		0.04	0.68
(ii) Income tax relating to items that will not be reclassified to Profit or loss		(0.01)	(0.16)
<b>Total A</b>		<b>0.03</b>	<b>0.52</b>
<b>B Items that will be reclassified to profit or loss</b>			
Exchange differences in translating the financial statements of a foreign operation		(0.06)	(0.18)
<b>Total B</b>		<b>(0.06)</b>	<b>(0.18)</b>
<b>Total Other Comprehensive Income/(loss) (A+B)</b>		<b>(0.03)</b>	<b>0.34</b>
<b>IX Total Comprehensive Income for the year (VII +VIII)</b>		<b>34.29</b>	<b>14.19</b>
<b>Total Profit for the year attributable to:</b>			
- Owners of the parent		34.32	13.85
- Non-controlling interest		-	-
		<b>34.32</b>	<b>13.85</b>

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2022 Contd.**

(Rupees in Crores)

Particulars	Note No	For the year ended 31-03-2022	For the year ended 31-03-2021
<b>Other comprehensive income/(loss) for the year attributable to:</b>			
- Owners of the parent		(0.03)	0.34
- Non-controlling interest		-	-
		<b>(0.03)</b>	<b>0.34</b>
<b>Total comprehensive income for the year attributable to:</b>			
- Owners of the parent		34.29	14.19
- Non-controlling interest		-	-
		<b>34.29</b>	<b>14.19</b>
<b>X Earning per equity share [Face value ₹10 per share]</b>	<b>38</b>		
Basic (in ₹)		15.02	6.06
Diluted (in ₹)		15.02	6.06
Significant accounting policies	1 to 3		

**See accompanying notes to the consolidated financial statements**

As per our report attached of even date

**For SUNDARAM & SRINIVASAN**

Chartered Accountants

ICAI Firm Reg.No: 004207S

**VENKATASUBRAMANIAN.S**

Partner

Membership No: 219238

Place: Bengaluru

Date : 16<sup>th</sup> May 2022**For and on behalf of the Board of Directors****Sukumar Srinivas**

Managing Director

DIN: 01668064

**Alex Varghese**

Chief Financial Officer

**C.Ravikumar**

Whole-time Director

DIN: 01247347

**Ereena Vikram**

Company Secretary

ACS Membership No: 33459

Place : Bengaluru

Date : 16<sup>th</sup> May 2022



(Rupees in Crores)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

**A. Equity Share Capital**

(1) Year ended 31st March 2022 (refer note no 18)

Balance at the beginning i.e. 01st April 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end i.e. 31st March 2022
22.85	-	22.85	-	22.85

(2) Year ended 31st March 2021 (refer note no 18)

Balance at the beginning i.e. 01st April 2020	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	Balance at the end i.e. 31st March 2021
22.85	-	22.85	-	22.85

**B. Other Equity (refer note no 19)**

(1) Year ended 31st March 2022

Particulars	Note No	Reserve and Surplus				Items of other comprehensive income			Total
		Capital Reserve	Securities Premium	General Reserve	Retained Earnings		Items that will not be reclassified to profit and loss	Exchange differences on translating the Financial Statements of a foreign operation	
					Surplus in Statement of Profit and Loss	Defined benefit plan			
Balance at the beginning i.e. 01st April 2021		0.19	111.28	1.24	386.00	(0.19)	-	0.30	498.82
Profit for the year		-	-	-	34.32	-	-	-	34.32
Other comprehensive income for the year, net of income tax		-	-	-	-	-	0.03	(0.06)	(0.03)
Transfer to retained earnings		-	-	-	-	0.03	(0.03)	-	-
Balance at the end i.e. 31st March 2022		0.19	111.28	1.24	420.32	(0.16)	-	0.24	533.11

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2022 Contd.

(Rupees in Crores)

(2) Year ended 31st March 2021

Particulars	Note No	Reserve and Surplus				Items of other comprehensive income			Total
		Capital Reserve	Securities Premium	General Reserve	Retained Earnings		Items that will not be reclassified to profit and loss	Items that will be reclassified to Profit or loss	
					Surplus in Statement of Profit and Loss	Defined benefit plan			
Balance at the beginning i.e. 01st April 2020		0.19	111.28	1.24	372.15	(0.71)	-	0.48	484.63
Profit for the year		-	-	-	13.85	-	-	-	13.85
Other comprehensive income for the year, net of income tax		-	-	-	-	-	0.52	(0.18)	0.34
Transfer to retained earnings		-	-	-	-	0.52	(0.52)	-	-
Balance at the end i.e. 31st March 2021		0.19	111.28	1.24	386.00	(0.19)	-	0.30	498.82
Significant accounting policies	1 to 3								

See accompanying notes to the consolidated financial statements

As per our report attached of even date

For SUNDARAM & SRINIVASAN  
Chartered Accountants  
ICAI Firm Reg.No: 0042075

VENKATASUBRAMANIAN.S  
Partner  
Membership No: 219238

Place : Bengaluru  
Date : 16<sup>th</sup> May 2022

For and on behalf of the Board of Directors

Sukumar Srinivas  
Managing Director  
DIN: 01668064

Alex Varghese  
Chief Financial Officer

Ereena Vikram

Company Secretary  
ACS Membership No: 33459

Place : Bengaluru  
Date : 16<sup>th</sup> May 2022







CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022

(Rupees in Crores)

Particulars	Note No	For the year ended 31-03-2022	For the year ended 31-03-2021
<b>Cash flow from operating activities</b>			
Profit before tax for the period		46.06	20.14
Adjustments to reconcile profit before tax to net cash flow:			
Depreciation and amortization expense	36(a)	17.24	23.98
Depreciation withdrawn on reclassification	36(a)	0.17	
Loss on disposal of property, plant and equipment	37	0.35	0.36
Gain on disposal of property, plant and equipment	32	(0.85)	(0.14)
Unwinding of interest income on rental deposits	32	(0.40)	(0.80)
Interest income	32	(0.33)	(0.48)
Unrealised exchange (gain) / loss	37	-	(1.89)
Fair value loss on derivatives not designated as hedges	37	-	3.03
Provision for doubtful debts written back	32	(0.59)	-
Interest expense on borrowings	36	23.25	30.62
Interest on Lease liability	36	1.12	2.46
Payables written back	32	(0.07)	(0.31)
Bad Debts written off	37	4.69	0.03
Loss Allowance for doubtful trade receivables	37	-	3.16
Provision for expenses no longer required written back	32	(0.14)	(0.15)
Gain on termination of lease	32	(0.10)	(1.74)
Foreign currency translation reserve		(0.06)	(0.18)
<b>Operating profit before working capital changes</b>		<b>90.34</b>	<b>78.09</b>
Adjustments for :			
Decrease/ (Increase) in inventories		(56.25)	84.37
Decrease/ (Increase) in trade receivables		(62.37)	130.19
Decrease/ (Increase) in loans and other financial assets		0.19	3.49
Decrease/ (Increase) in other current assets		(7.58)	(4.70)
Decrease/ (Increase) in other non-current assets		(0.00)	(0.05)
(Decrease)/ Increase in trade payables		113.14	(154.80)
(Decrease)/ Increase in other financial liabilities		1.76	(3.33)
(Decrease)/ Increase in other current liabilities (excluding the current maturities of long-term debt)		1.48	5.29
(Decrease)/Increase in provisions		(0.77)	(1.26)
<b>Cash flow from/(used in) operations</b>		<b>79.94</b>	<b>137.29</b>
Income taxes paid		(10.30)	(4.27)
<b>Net cash flows from/(used in) operating activities (A)</b>		<b>69.64</b>	<b>133.02</b>
<b>Cash flow from investing activities</b>			
Consideration paid for purchase of property, plant and equipment (including capital work-in-progress)		(19.69)	(16.98)
Proceeds from sale of property, plant and equipment	4,32,37	1.26	5.41
Purchase of software	7(b)	(0.24)	
(Purchase)/proceeds from maturity of bank deposits		(0.10)	3.06
Interest receipt		0.39	0.40
<b>Net cash flows from/(used in) investing activities (B)</b>		<b>(18.38)</b>	<b>(8.11)</b>



**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 Contd.**

(Rupees in Crores)

Particulars	Note No	For the year ended 31-03-2022	For the year ended 31-03-2021
<b>Cash flow from financing activities</b>			
Principial element of lease payments		(5.06)	(7.46)
Interest on lease liability	36	(1.12)	(2.46)
Proceeds from non current borrowings		6.95	37.83
Repayment of term loans		(0.84)	(1.64)
Current Borrowings availed/ (repaid)		(36.19)	(123.20)
Interest paid		(23.42)	(30.58)
Unclaimed dividend - Transfer in/(out)		-	0.01
<b>Net cash from/(used in) financing activities (C)</b>		<b>(59.68)</b>	<b>(127.50)</b>
<b>Net increase/(decrease) in cash and cash equivalents(A+B+C)</b>		<b>(8.42)</b>	<b>(2.59)</b>
<b>Cash and cash equivalents - at the beginning of the period</b>		<b>10.90</b>	<b>13.49</b>
<b>Cash and cash equivalents - at the end of the period</b>		<b>2.48</b>	<b>10.90</b>
<b>Non cash financing and investing activities</b>			
- Acquisition of Right-of-use assets	6	0.50	0.14
Note: Cash and Cash equivalents in the Cash Flow Statement comprise of the following:			
<b>i) Cash on Hand</b>		1.16	0.52
<b>ii) Balance with Banks :</b>	14		
- In Current Account		1.32	10.38
		<b>2.48</b>	<b>10.90</b>
Significant accounting policies	1 to 3		

See accompanying notes to the consolidated financial statements

The above Cash Flow Statement has been prepared under the Indirect method as set out in Ind AS 7.

As per our report attached of even date

**For SUNDARAM & SRINIVASAN**

Chartered Accountants  
ICAI Firm Reg.No: 004207S

**VENKATASUBRAMANIAN.S**

Partner  
Membership No: 219238

Place: Bengaluru  
Date : 16<sup>th</sup> May 2022

**For and on behalf of the Board of Directors**

**Sukumar Srinivas**  
Managing Director  
DIN: 01668064

**Alex Varghese**  
Chief Financial Officer

Place : Bengaluru  
Date : 16<sup>th</sup> May 2022

**C.Ravikumar**  
Whole-time Director  
DIN: 01247347

**Ereena Vikram**  
Company Secretary  
ACS Membership No: 33459



## CONSOLIDATED ACCOUNTING POLICIES

### 1. GENERAL INFORMATION

Shankara Building Products Limited ("SBPL" or "the company") is a public listed company incorporated and domiciled in India. The registered office is situated at G2, Farah Winsford, 133, Infantry Road, Bengaluru – 560001.

Shankara Building Products Limited ("the Company" or "the Parent") is one of the India's leading organized retailer of home improvement and building products in India. The Parent and its subsidiaries (together referred to as "the Group") caters to a large customer base spread across various end-user segments in urban and semi-urban markets through a retail led, multi-channel sales approach complemented by processing facilities, supply chain and logistics facilities. It deals with a number of product categories including structural steel, cement, TMT bars, hollow blocks, pipes and tubes, roofing solutions, welding accessories, primers, solar heaters, plumbing, tiles, sanitary ware, water tanks, plywood, kitchen sinks, lighting and other allied products. The Company has operations spread across ten states and one union territory in India.

The company's shares are listed on the Bombay Stock Exchange 'BSE' and National Stock Exchange 'NSE'.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Statement Of Compliance

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act. The aforesaid financial statements are duly adopted by the Board of Directors in the meeting held on May 16, 2022 for consideration of approval by the shareholders.

#### 2.2 Functional and presentation currency

The consolidated financial statements are prepared and presented in Indian Rupees and all amounts have been presented in crore with two decimals, unless otherwise indicated.

#### 2.3 Basis of preparation and presentation

These consolidated financial statements have been prepared and presented under accrual basis of accounting and as a going concern on historical cost convention or fair values, wherever applicable, as per the requirements of Ind AS prescribed under section 133 of the Act and relevant provisions thereon.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

#### Current and Non-current classification

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle or 12 months or other criteria as set out in the Schedule III to the Companies Act, 2013. Based on the nature of its business, the group has ascertained its operating cycle to be 12 months for the purpose of current and non-current classification of assets and liabilities.

#### BASIS OF CONSOLIDATION

The Consolidated Financial Statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved where the Company:

- has power over the investee
- is exposed to, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect



its returns"

The Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than majority of the voting rights of an investee, it has power over the investee when such voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

## 2.4 REVENUE RECOGNITION

### 2.4.1 Sale of products

Revenue is recognized on fulfilment of performance obligation. In other words, revenue is recognized when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer.

Revenue is measured at the fair value of the consideration received or receivable. The Group recognizes revenues on sale of products, net of discounts, rebates, returns, taxes and duties on sales when the products are delivered to a carrier for sale / or direct delivery to the customer, as the case may be, which is when significant risks and rewards of ownership pass to the customer. Sale of products is presented gross of manufacturing taxes like excise duty wherever applicable.

### 2.4.2 Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Interest income is recognised on time proportion basis.

### 2.4.3. Rental income

Rental income from operating leases (of the Group's investment properties) is recognised on straight-line basis over the term of the relevant lease, except where rentals are structured to increase in line with expected general inflation. Initial direct cost, if any, incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset out and recognised on straight-line basis over the lease term.



## 2.4.4 Other income

Other income is recognised on accrual basis provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

## 2.5 PROPERTY, PLANT AND EQUIPMENT

### 2.5.1 Recognition and measurement

The cost of property, plant and equipment comprises its purchase price, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning, net of any trade discounts and rebates.

### 2.5.2 Subsequent expenditure

Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred unless such expenditure results in a significant increase in the future benefits of the concerned asset.

Property, plant and equipment are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any.

### 2.5.3 Disposal of property, plant and equipment

An item of property, plant and equipment is derecognised upon disposal or on retirement, when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net sale proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.

### 2.5.4 Depreciation

Depreciation commences when the assets are ready for their intended use. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of Property, Plant & Equipment (other than capital work-in-progress) less their residual values over their useful lives, using straight-line

method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Management has re-assessed the useful lives of the Property, plant and equipment and on the basis of technical evaluation, management is of the view that useful lives assessed by management, as above, are indicative of the estimated economic useful lives of the Property, plant and equipment. In respect of additions to Property, plant and equipment, depreciation has been charged on pro rata basis. Individual assets costing less than ₹0.0005 crore (₹5,000/-) are depreciated fully during the year of purchase.

The Group reviews the residual value, useful lives and depreciation method annually and, if current estimates differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis

### 2.5.5 Capital work-in-progress

Capital Work in progress includes cost of property, plant and equipment under installation/under development as at the balance sheet date. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

## 2.6 INVESTMENT PROPERTIES

Property that is held for long-term rental yields or for capital appreciation or both, but not for sale in the ordinary course of business, not used in the production or supply of goods or services or administrative purposes is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable, the borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties (except freehold land) are depreciated using straight-line method over their estimated useful lives. Investment properties generally have a useful life of 60 years. The useful life has been determined based on technical evaluation by management.





## 2.7 INTANGIBLE ASSETS

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised in the income statement on a straight-line basis over their estimated useful lives of the intangible asset. Intangible assets that are not available for use are amortised from the date they are available for use.

The estimated useful life are as follows:

Software - 3 years

Brand - 3 years

The amortisation period and amortisation method for intangible assets are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis".

An item of intangible assets is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the Statement of Profit or Loss when the asset is derecognised.

## 2.8 IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset

may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Any reversal of the previously recognised impairment loss is limited to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

## 2.9 BUSINESS COMBINATIONS

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations. The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Group. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition. Business combinations between entities under common control is accounted for at carrying value. Transaction costs that the Group incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

## 2.10 LEASES

Leases are classified as finance leases whenever the terms of the lease transfer substantially all





the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Effective April 01, 2019, the Group has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 01, 2019 using the modified retrospective approach method. The Group as a lessee has recognised the lease liability based on the remaining lease payments discounted using the incremental borrowing rate as of the date of initial application (being 01st April, 2019). The Right-of-Use (ROU) asset has been recognised at its carrying amount as if Ind AS 116 has been applied since the commencement date of the lease arrangement by using the incremental borrowing rate as at the transaction date (being 01st April, 2019). The Group has not restated the comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on 01st April, 2019.

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment of the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Group's operations, taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term for future periods is reassessed to ensure that the lease term reflects the current economic circumstances. In respect of such long term contracts, Ind AS 116 is applied.

### 2.10.1 Where the Group is lessor

As per terms of lease agreements there is no substantial transfer of risk and reward of the property to the lessee. Accordingly such leased out assets are treated as belonging to the Group. Rental income from operating leases is recognised on straight-line basis over the term

of the relevant lease. Initial direct cost, if any, incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on straight-line basis over the lease term.

### 2.10.2 Where the Group is a lessee

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (1) the contract involves the use of an identified asset (2) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee. The Group has however elected to use the exemptions provided by the standard on lease contracts for which the lease term ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value.

For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term or useful life of the underlying asset whichever is shorter.

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely Independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to



which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

## 2.11 INVENTORIES

Inventories are stated at lower of cost and net realizable value.

Cost comprises of purchase price, freight, other attributable cost, applicable taxes not eligible for credit, less rebates and discounts, which is determined on First in First out ('FIFO') basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Stores and spares which does not meet the definition of Property, plant and equipment are accounted as inventories

All items of inventories which are considered to be damaged, unmarketable or unserviceable and have become otherwise obsolete are valued at the estimated net realizable value.

### 2.11.1 Raw materials

Raw materials are valued at cost of purchase net of duties and taxes and include all expenses incurred in bringing such materials to the location of its use.

### 2.11.2 Finished goods

Finished goods include conversion costs in addition to the landed cost of raw materials.

### 2.11.3 Stock-in-trade

Stock-in-trade cost includes the purchase price, freight, other attributable cost, applicable taxes not eligible for credit, less rebates and discounts.

### 2.11.4 Stores, spares and tools

Stores, spares and tools cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

## 2.12 EMPLOYEE BENEFITS

In respect of defined contribution plan the Group makes the stipulated contributions to provident fund, Employee state insurance and pension fund, in respect of employees to the respective authorities under which the liability of the Group is limited to the extent of the contribution.

The liability for gratuity, considered as defined benefit, is determined actuarially using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement gains and losses recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
  - net interest expense or income; and
  - re-measurement.

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expenses'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the statement of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of



any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

The Group recognizes a liability and an expense for bonus. The company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

### 2.13 INCOME TAX

Tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

#### 2.13.1 Current tax

Current tax is the amount of tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

#### 2.13.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the

temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each annual reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and deferred tax are recognised in the statement of profit and loss, except when they are related to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

The Group has exercised option to pay income tax u/s. 115BAA of the Income Tax Act, 1961 from the financial year 2019-2020. Hence the provisions relating to minimum alternate tax (MAT) are not applicable to the Company.

### 2.14 FOREIGN CURRENCY TRANSLATION

The functional currency of the Group is determined on the basis of the primary economic environment in which it operates. The functional currency of the Group is Indian National Rupee (INR).

The transactions in currencies other than the



entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in Foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to Statement of Profit and Loss on repayment of the monetary items.

## **2.15 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Provisions are recognised when the Group has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent Liabilities and Contingent Assets are not recognized but are disclosed in the notes.

## **2.16 EARNING PER SHARE**

Basic earnings per share is computed by dividing the profit / (loss) after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit / (loss) after tax attributable to equity shareholders as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares including the treasury shares held by the Group to satisfy the exercise of the share options by the employees.

## **2.17 BORROWING COSTS**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to interest costs.

## **2.18 GOVERNMENT GRANTS AND SUBSIDIES**

Grants from the Government are recognized at their fair market value where there is a





reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants receivable as compensation for expenses or financial support are recognized in profit or loss of the period in which it becomes available. Government grants relating to the purchase of property, plant and equipment are included in current / non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

## 2.19 NON-CURRENT ASSETS HELD FOR SALE/ DISTRIBUTION TO OWNERS AND DISCONTINUED OPERATIONS

The Group classifies non-current assets and disposal groups as held for sale/ distribution to owners if their carrying amounts will be recovered principally through a sale/ distribution rather than through continuing use. Actions required to complete the sale/ distribution indicate that it is unlikely that significant changes to the sale/ distribution will be made or that the decision to sell/ distribute will be withdrawn. Management is committed to the sale/distribution and it is expected to be completed within one year from the date of classification.

The criteria for held for sale/ distribution classification is regarded as met only when the assets or disposal group is available for immediate sale/ distribution in its present condition, subject only to terms that are usual and customary for sales/ distribution of such assets (or disposal groups), its sale/ distribution is highly probable; and it will genuinely be sold, not abandoned. The group treats sale/ distribution of the asset or disposal group to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group);
- An active programme to locate a buyer and complete the plan has been initiated;
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value;

- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification; and

- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn."

Non-current assets held for sale/for distribution to owners and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell/ distribute. Assets and liabilities classified as held for sale/ distribution are presented separately in the balance sheet. Property, plant and equipment and intangible assets once classified as held for sale/ distribution to owners are not depreciated or amortised.

Non-current assets held for sale qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations,
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations
- Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

## 2.20 FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss ('FVTPL')) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction



costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in Statement of Profit and Loss.

Trade receivables are recognised when they are originated.

Trade payables are in respect of the amount due on account of goods purchased or services availed in the normal course of business. They are recognised at their transaction and services availed value if the transaction do not contain significant financing component.

## **a) Financial Assets**

### **(i) Initial recognition and measurement**

All financial assets are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through Statement of Profit or Loss ('FVTPL')) are added to the fair value of the financial assets, on initial recognition. Transaction cost directly attributable to the acquisition of financial assets at FVTPL are recognized immediately in Statement of Profit and Loss.

### **(ii) Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI);
- Debt instruments and equity instruments at fair value through profit or loss (FVTPL);
- Equity instruments measured at fair value through other comprehensive income (FVTOCI).

#### **Debt instruments at amortised cost:**

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely

payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

### **Debt instrument at FVTOCI:**

A 'debt instrument' is classified as FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

### **Debt instrument at FVTPL:**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as amortized cost or as FVTOCI, is classified as FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as FVTPL. However, such election is chosen only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

### **(iii) Derecognition of financial assets**

A financial asset is de-recognised only when;

- a. The Group has transferred the rights to receive cash flows from the financial asset or
- b. The Group retains the contractual rights to receive the cash flows of the financial asset, but





expects a contractual obligation to pay the cash flows to one or more recipients.

Where entity has transferred an asset, the Group examines and assesses whether it has transferred substantially all risk and rewards of ownership of financial asset. In such cases, financial asset is de-recognised. Where entity has not transferred substantially all risks and rewards of ownership of financial asset, such financial asset is not de-recognised.

Where the entity has neither transferred a financial asset nor retains substantially all risk and rewards of ownership of the financial asset, the financial asset is de-recognised, if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, it is continued to be recognised to the extent of continuing involvement in the financial asset.

### **b) Financial liabilities and equity instruments**

#### **(i) Initial recognition and measurement**

All financial liabilities are recognized initially at fair value plus transaction cost (if any) that is attributable to the acquisition of the financial liabilities which is also adjusted.

#### **(ii) Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

##### Loans and borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are de-recognised as well as through the EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

##### Trade and other payables:

These amounts represent liabilities for goods or services provided to the Group which are unpaid at the end of the reporting period. Trade and other payables are presented as current liabilities when the payment is due within a period of 12 months from the end of the

reporting period. For all trade and other payables classified as current, the carrying amounts approximate fair value due to the short maturity of these instruments. Other payables falling due after 12 months from the end of the reporting period are presented as non-current liabilities and are measured at amortised cost unless designated as fair value through profit and loss at the inception.

The Group enters into deferred payment arrangements (acceptances) whereby lenders such as banks and other financial institutions make payments to supplier's banks for purchase of raw materials. The banks and financial institutions are subsequently repaid by the Company at a later date. These are normally settled up to 90 days. These arrangements for raw materials are recognized as Acceptances i.e. trade payables and are included in total outstanding due of creditors other than micro enterprises and small enterprises.

##### Financial guarantee

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because, the principal debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, including transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in statement of profit or loss are included within finance costs or finance income.

##### Other financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading or designated as at FVTPL are recognized in the profit or loss.



### **(iii) Derecognition of financial liabilities:**

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or Modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

### **c) Offsetting**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

### **d) Impairment of Financial assets**

The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Group recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses, if the credit risk on the financial asset has increased significantly since initial recognition.

### **e) Fair value measurement:**

The Group measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or

liability which are accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable, or
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

### **f) Derivative financial instruments**

Derivative financial instruments are accounted for at FVTPL except for derivatives designated as hedging instruments in cash flow hedge relationships, which require a specific accounting treatment. To qualify for hedge accounting, the hedging relationship must meet several strict conditions with respect to documentation, probability of occurrence of the hedged



transaction and hedge effectiveness. These arrangements have been entered into to mitigate currency exchange risk arising on account of repayment of foreign currency term loan and interest thereon. For the reporting periods under review, the Group has not designated any forward currency contracts as hedging instruments.

### 2.21 CASH & CASH EQUIVALENTS AND CASH FLOW STATEMENT

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Cash flows are reported using the Indirect method, whereby profit/ (loss) before extraordinary items and tax is appropriately classified for the effects of transactions of non-cash nature and any deferrals or accruals of past or future receipts or payments. In cash flow statement, cash and cash equivalents include cash in hand, balances with banks in current accounts and other short- term highly liquid investments with original maturities of three months or less.

### 2.22 DIVIDEND ON ORDINARY SHARES

The Group recognises a liability to make cash or non-cash distributions to equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

### 2.23 SEGMENT REPORTING

An operating segment is defined as a component of the entity that represents business activities from which it earns revenues and incurs expenses and for which discrete financial information is available. The operating segments are based on the Group's internal reporting structure and the manner in

which operating results are reviewed by the Chief Operating Decision Maker (CODM).

### 2.24 STANDARDS/AMENDMENTS ISSUED BUT NOT YET EFFECTIVE

The Ministry of Corporate Affairs ('MCA') notified amendments to existing standards Ind AS – 16, 37, 41, 101, 103 and 109 under Companies (Indian Accounting Standards) Rules, 2022 on March 2022. These amendments are effective for the financial year beginning from April 01, 2022. The Group has evaluated these amendments and there are no impacts on its financial statements.

## 3. KEY SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL ACCOUNTING JUDGEMENTS

In the course of applying the policies outlined in all notes under section 2 above, the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future period.

#### (i) Useful lives of property, plant and equipment

The Board reviews the useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly depreciable lives are reviewed annually using the best information available to the Management.

#### (ii) Provisions and liabilities

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires





application of judgement to existing facts and circumstances which may be subject to change. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

### (iii) Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Potential liabilities that are possible but not probable of crystallising or

are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized.

### (iv) Fair value measurements

When the fair values of financial assets or financial liabilities recorded or disclosed in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model.

The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility.





(Rupees in Crores)

Notes to the Consolidated Financial Statements

4. PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computers	Total	
Gross carrying amount as at 01-04-2020	52.96	85.64	80.47	33.33	9.97	3.24	1.76	267.37	
Additions	-	4.99	6.25	2.49	0.56	0.11	0.04	14.44	
Disposals/Adjustment	-	0.24	7.29	0.19	1.33	0.00	-	9.05	
Transferred to investment property	-	-	-	-	-	-	-	-	
Gross carrying amount as at 31-03-2021	52.96	90.39	79.43	35.63	9.20	3.35	1.80	272.76	
Additions	5.64	10.06	1.29	2.18	0.66	0.75	0.14	20.72	
Transfer in / Transfer (out)	-	-	-	-	1.52	0.29	0.56	2.37	
Disposals/Adjustment	0.14	1.02	0.35	0.11	0.55	0.05	0.02	2.24	
Transferred to investment property	0.62	0.20	-	-	-	-	-	0.82	
Gross carrying amount as at 31-03-2022	57.84	99.23	80.37	37.70	10.83	4.34	2.48	292.79	
Accumulated depreciation / amortisation and impairment									
Balance as at 01-04-2020	-	8.05	21.69	8.64	3.35	1.68	1.00	44.41	
Depreciation for the year	-	1.70	5.22	3.35	1.17	0.47	0.38	12.29	
Depreciation on disposals/Adjustment	-	0.01	2.35	0.06	1.01	0.00	-	3.43	
Transferred to investment property	-	-	-	-	-	-	-	-	
Balance as at 31-03-2021	-	9.74	24.56	11.93	3.51	2.15	1.38	53.27	
Depreciation for the year	-	1.85	5.21	3.47	1.15	0.43	0.18	12.29	
Transfer in / Transfer (out)	-	-	-	-	1.52	0.29	0.56	2.37	
Depreciation on disposals/Adjustment	-	0.21	0.11	0.05	0.45	0.05	0.02	0.89	
Transferred to investment property	-	0.02	-	-	-	-	-	0.02	
Balance as at 31-03-2022	-	11.36	29.66	15.35	5.73	2.82	2.10	67.02	
Net Carrying amount									
As at 31-03-2022	57.84	87.87	50.71	22.35	5.10	1.52	0.38	225.77	
As at 31-03-2021	52.96	80.65	54.87	23.70	5.69	1.20	0.42	219.49	
Useful Life of the asset (in Years)	N/A	Refer note (b)	15 Years	10 Years	8 - 10 Years	5 Years	3 Years		
Method of depreciation	N/A			Straight Line Method					

## PROPERTY, PLANT AND EQUIPMENT Contd.

### Note

- a) Certain Property, plant & equipment have been hypothecated as security against long term borrowings and certain current borrowings of the Group (refer note no 19, 24 and 44).
- b) 30 years for Factory buildings and 60 years for other buildings.
- c) During the current year as well previous year, Property, Plant and Equipment has not been revalued.
- d) The title deeds of the Immovable properties of all the Group companies (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the respective company.





**Notes to the Consolidated Financial Statements**

(Rupees in Crores)

**4(a) CAPITAL WORK-IN-PROGRESS - BUILDINGS**

Particulars	Amount
Gross carrying amount as at 01-04-2020	0.18
Additions	7.48
Sub Total	7.66
Less: Capitalised during the year	5.25
Gross carrying amount as at 31-03-2021	2.41
Additions	9.20
Sub Total	11.61
Less: Capitalised during the year	10.05
Gross carrying amount as at 31-03-2022	1.56

**Capital Work-in-Progress (CWIP) ageing schedule as at 31-3-2022**

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1.56	-	-	-	1.56
Projects temporarily suspended	-	-	-	-	-

Project Completion overdue or exceeded cost compared to original plan- None

**Capital Work-in-Progress (CWIP) ageing schedule as at 31-3-2021**

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2.41	-	-	-	2.41
Projects temporarily suspended	-	-	-	-	-

Project Completion overdue or exceeded cost compared to original plan- None









**5. INVESTMENT PROPERTY**

Particulars	Freehold Land	Buildings	Total
<b>Gross carrying amount as at 01-04-2020</b>	<b>6.11</b>	<b>2.68</b>	<b>8.79</b>
Additions	-	-	-
Disposals	-	-	-
Transferred from property, plant and equipment	-	-	-
<b>Gross carrying amount as at 31-03-2021</b>	<b>6.11</b>	<b>2.68</b>	<b>8.79</b>
Additions	-	-	-
Transfer in / Transfer (out)	1.35	(1.35)	-
Disposals	-	-	-
Transferred from property, plant and equipment	0.62	0.20	0.82
<b>Gross carrying amount as at 31-03-2022</b>	<b>8.08</b>	<b>1.53</b>	<b>9.61</b>
<b>Accumulated depreciation and impairment Balance as at 01-04-2020</b>	<b>-</b>	<b>0.14</b>	<b>0.14</b>
Depreciation for the year	-	0.04	0.04
Transferred from property, plant and equipment	-	-	-
Depreciation on disposals	-	-	-
<b>Balance as at 31-03-2021</b>	<b>-</b>	<b>0.18</b>	<b>0.18</b>
Depreciation for the year	-	0.02	0.02
Transfer in / Transfer (out)	(0.06)	(0.11)	(0.17)
Transferred from property, plant and equipment	-	0.02	0.02
Depreciation on disposals	-	-	-
<b>Balance as at 31-03-2022</b>	<b>(0.06)</b>	<b>0.11</b>	<b>0.05</b>
			-
<b>Net Carrying amount</b>			
<b>As at 31-03-2022</b>	<b>8.14</b>	<b>1.42</b>	<b>9.56</b>
<b>As at 31-03-2021</b>	<b>6.11</b>	<b>2.50</b>	<b>8.61</b>
Useful Life of the asset (In Years)	N/A	60 years	
Method of depreciation	N/A	As per Schedule II of the Companies Act, 2013	

**Income earned from and expenses incurred on Investment Property**

Particulars	For the year ended	
	31-03-2022	31-03-2021
Rental income from investment properties	0.18	0.16
Less: Direct operating expenses (including repairs and maintenance)	0.01	0.01
Profit from investment properties before depreciation	0.17	0.15
Less: Depreciation	0.02	0.04
Profit from investment property	0.15	0.11



## Notes to the Consolidated Financial Statements

(Rupees in Crores)

### Fair Value

Particulars	31-03-2022	31-03-2021
Investment properties	20.07	14.06

### Estimation of fair value

The best evidence of fair value is current prices in an active market for similar properties. Since investment properties are leased out by the Group, the market rate for sale/purchase of such premises are representative of fair values. Group's investment properties are at a location where active market is available for similar kind of properties. Hence fair value is ascertained on the basis of market rates prevailing for similar properties in those location determined by an independent registered valuer and consequently classified as a level 2 valuation.

### 6. RIGHT-OF-USE ASSET:

Particulars	Gross Block				Accumulated depreciation				Net Block 31-03-2022
	Balance as at 01-04-2021	Additions	Deletions	Balance as at 31-03-2022	Balance as at 01-04-2021	Depreciation for the year	Depreciation on deletions	Balance as at 31-03-2022	
Right-of-use Asset - Buildings	30.50	0.50	7.93	23.07	16.54	4.86	6.93	14.47	8.60

Particulars	Gross Block				Accumulated depreciation				Net Block 31-03-2021
	Balance as at 01-04-2020	Additions	Deletions	Balance as at 31-03-2021	Balance as at 01-04-2020	Depreciation for the year	Depreciation on deletions	Balance as at 31-03-2021	
Right-of-use Asset - Buildings	55.08	0.14	24.72	30.50	21.27	8.78	13.51	16.54	13.96

**7 (a) GOODWILL**

<b>Particulars</b>	<b>Goodwill</b>
<b>Gross carrying amount as at 01-04-2020</b>	<b>14.04</b>
Additions	-
Disposals	-
<b>Gross carrying amount as at 31-03-2021</b>	<b>14.04</b>
Additions	-
Disposals	-
<b>Gross carrying amount as at 31-03-2022</b>	<b>14.04</b>
<b>Accumulated impairment losses</b>	
<b>Balance as at 01-04-2020</b>	-
Impairment losses for the year	-
Impairment losses on disposals	-
<b>Balance as at 31-03-2021</b>	-
Impairment losses for the year	-
Impairment losses on disposals	-
<b>Balance as at 31-03-2022</b>	-
<b>Net Carrying amount</b>	
<b>As at 31-03-2022</b>	<b>14.04</b>
<b>As at 31-03-2021</b>	<b>14.04</b>

**7 (b) OTHER INTANGIBLE ASSETS**

Particulars	Brand	Software	Total
<b>Gross carrying amount as at 01-04-2020</b>	<b>10.78</b>	<b>0.45</b>	<b>11.23</b>
Additions	-	-	-
Disposals	-	-	-
<b>Gross carrying amount as at 31-03-2021</b>	<b>10.78</b>	<b>0.45</b>	<b>11.23</b>
Additions	-	0.24	0.24
Disposals	-	-	-
<b>Gross carrying amount as at 31-03-2022</b>	<b>10.78</b>	<b>0.69</b>	<b>11.47</b>
<b>Accumulated amortization and impairment Balance as at 01-04-2020</b>	<b>8.00</b>	<b>0.36</b>	<b>8.36</b>
Amortization for the year	2.78	0.09	2.87
Amortization on disposals	-	-	-
<b>Balance as at 31-03-2021</b>	<b>10.78</b>	<b>0.45</b>	<b>11.23</b>
Amortization for the year*	-	0.24	0.24
Amortization on disposals	-	-	-
<b>Balance as at 31-03-2022</b>	<b>10.78</b>	<b>0.69</b>	<b>11.47</b>
<b>Net Carrying amount As at 31-03-2022</b>	-	-	-
<b>As at 31-03-2021</b>	-	-	-
Useful Life of the asset (In Years)	3 Years	3 Years	
Method of amortization	Straight Line Method		

\*Represents write off on asset becoming obsolete.

**Note**

During the current year as well the previous year, the Group has not revalued any of its intangible asset.





**8. TRADE RECEIVABLES (NON-CURRENT)**

Particulars	As at 31-03-2022	As at 31-03-2021
<b>Unsecured:</b>		
(a) Considered Good	-	-
(b) Credit Impaired	6.35	7.61
	6.35	7.61
Less: Allowance for doubtful debts (expected credit loss allowance) *	(3.18)	(3.80)
<b>Total</b>	<b>3.17</b>	<b>3.81</b>
Debts due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member amount to (including "current" portion)	Nil	Nil

**\*Movement in loss allowance of trade receivables**

Particulars	As at 31-03-2022	As at 31-03-2021
Opening balance	3.80	3.80
Amount written off	-	-
Credit loss allowance	(0.62)	0.00
Closing balance	<b>3.18</b>	<b>3.80</b>

**Trade Receivables (Non-Current) ageing schedule as at 31-03-2022**

Particulars	Not Due	Outstanding from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	-	-	-	-	-	-
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	0.04	0.18	0.69	0.14	2.12	3.17
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>0.04</b>	<b>0.18</b>	<b>0.69</b>	<b>0.14</b>	<b>2.12</b>	<b>3.17</b>



Notes to the Consolidated Financial Statements

(Rupees in Crores)

Trade Receivables (Non-Current) ageing schedule as at 31-03-2021

Particulars	Not Due	Outstanding from due date of payment					
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	-	-	-	-	-	-	-
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	0.10	0.04	1.51	2.16	3.81
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	-	-	<b>0.10</b>	<b>0.04</b>	<b>1.51</b>	<b>2.16</b>	<b>3.81</b>

9. LOANS (NON-CURRENT)

Particulars	As at 31-3-2022	As at 31-03-2021
<b>Unsecured, considered good:</b>		
(a) Employee advances	0.06	0.06
<b>Total</b>	<b>0.06</b>	<b>0.06</b>

10. OTHER FINANCIAL ASSETS (NON-CURRENT)

LOANS (NON-CURRENT)	As at 31-3-2022	As at 31-03-2021
<b>Unsecured: considered good:</b>		
(a) Security Deposits	7.72	7.52
(b) Deposit with Suppliers	1.51	1.51
(c) Others		
Tender deposit	0.04	0.04
Utility deposit	0.29	0.29
<b>Total</b>	<b>9.56</b>	<b>9.36</b>

**11. OTHER NON-CURRENT ASSETS**

Particulars	As at 31-3-2022	As at 31-03-2021
(a) Capital Advances (refer note below)	1.08	1.21
(b) Advances other than capital advances - Deposits with Government authorities	1.06	1.06
<b>Total</b>	<b>2.14</b>	<b>2.27</b>

Capital advances includes borrowing costs of ₹0.05 crores (Previous year ₹0.07 crores) at 8% (Previous year 9.75%) which represents average borrowing costs of the company. This also includes advances made for purchase of land and Building in Chennai, Udupi, Bangalore and Mumbai in the years 2013, 2018, 2020 & 2021 respectively.

**12. INVENTORIES**

Particulars	As at 31-3-2022	As at 31-03-2021
<b>Inventories: (at lower of cost and net realisable value)</b>		
(a) Raw materials	55.13	42.41
(b) Finished goods	28.80	22.62
(c) Stock-in-trade	283.33	245.80
(d) Stores and spares	5.07	5.25
<b>Total</b>	<b>372.33</b>	<b>316.08</b>

Inventories have been hypothecated as security against certain bank borrowings of the Group (refer note no 20, 25 and 44)

**13. TRADE RECEIVABLES (CURRENT)**

Particulars	As at 31-3-2022	As at 31-03-2021
<b>Unsecured:</b>		
(A) Trade receivables Considered Good	331.20	269.13
Less: Allowance for doubtful debts (expected credit loss allowance)	(0.04)	(0.04)
<b>Total A</b>	<b>331.16</b>	<b>269.09</b>
(B) Trade receivables with significant increase in credit risk	30.98	34.11
Less: Allowance for doubtful debts (expected credit loss allowance)	(8.14)	(8.11)
<b>Total B</b>	<b>22.84</b>	<b>26.00</b>
<b>Total (A+B)</b>	<b>354.00</b>	<b>295.09</b>

**Movement in loss allowance of trade receivables**

Particulars	As at 31-3-2022	As at 31-03-2021
Opening balance	8.15	4.99
Amount written off	-	-
Credit loss allowance	0.03	3.16
Closing balance	<b>8.18</b>	<b>8.15</b>



Notes to the Consolidated Financial Statements

(Rupees in Crores)

Trade Receivables (Current) ageing schedule as at 31-03-2022

Particulars	Not Due	Outstanding from due date of payment					Total
		Less than 6 months	6 months 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	286.38	37.11	7.67	-	-	-	331.16
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	7.65	11.95	3.24	22.84
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>286.38</b>	<b>37.11</b>	<b>7.67</b>	<b>7.65</b>	<b>11.95</b>	<b>3.24</b>	<b>354.00</b>

Trade Receivables (Current) ageing schedule as at 31-03-2021

Particulars	Not Due	Outstanding from due date of payment					Total
		Less than 6 months	6 months 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	234.86	26.45	7.78	-	-	-	269.09
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	17.49	6.36	2.15	26.00
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>234.86</b>	<b>26.45</b>	<b>7.78</b>	<b>17.49</b>	<b>6.36</b>	<b>2.15</b>	<b>295.09</b>

**Notes to the Consolidated Financial Statements**

(Rupees in Crores)

The credit period on goods sold ranges from 30 to 60 days without security. No interest is charged on overdue trade receivables. Trade receivable with credit impairment is identified on case to case basis.

In determining the allowances for doubtful trade receivables, the Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

Credit risk is managed at the respective entity level. Before accepting any new customer, the Group evaluates the financial soundness, business opportunities, credit references etc of the new customer and defines credit limit and credit period. The credit limit and the credit period are reviewed at periodical intervals.

The Group does not generally hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the group to the counterparty.

Trade receivables have been offered as collateral towards borrowings (refer note no 20, 25 and 44).

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

**14. CASH AND CASH EQUIVALENTS**

Particulars	As at 31-3-2022	As at 31-03-2021
(a) Balances with banks :		
In current account	1.32	10.38
(b) Cash on hand	1.16	0.52
<b>Total</b>	<b>2.48</b>	<b>10.90</b>

The Group has entered into cash management service agreement with certain banks for the collection of cheques at various branches and transfer of the funds to certain cash credit accounts by way of standing instructions. Pending such credits in the account, the cash credit accounts are disclosed as net of such collections. The above mentioned cash and cash equivalents do not contain any amount that are not available for use by the Group.

**15. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS**

Particulars	As at 31-3-2022	As at 31-03-2021
<b>Earmarked balances:</b>		
(a) With banks in current account (for unclaimed dividends)	0.04	0.04
(b) Fixed Deposits held as margin money	4.33	4.23
<b>Total</b>	<b>4.37</b>	<b>4.27</b>



**16. OTHER FINANCIAL ASSETS (CURRENT)**

Particulars	As at 31-3-2022	As at 31-03-2021
<b>Unsecured, considered good</b>		
<b>(i) Financial assets at amortised cost</b>		
(a) Rent receivable	0.07	0.05
(b) Employee advances*	0.67	0.68
(c) Interest accrued on deposits	0.05	0.11
<b>Total</b>	<b>0.79</b>	<b>0.84</b>

\*Includes transaction (s) with related parties - refer note no 47 (c)

**17. OTHER CURRENT ASSETS**

Particulars	As at 31-3-2022	As at 31-03-2021
<b>Advances other than capital advances:</b>		
(a) Advances for purchases	27.08	22.33
(b) Prepaid Expenses	1.08	1.83
(c) Balances with Government authorities	4.00	0.45
<b>Total</b>	<b>32.16</b>	<b>24.61</b>

**18. EQUITY SHARE CAPITAL**

Particulars	As at 31-03-2022		As at 31-03-2021	
	No. of Shares	Amount	No. of Shares	Amount
<b>Authorised:</b>				
Equity shares of ₹10/- each	2,50,00,000	25.00	2,50,00,000	25.00
Issued, subscribed and fully paid:	2,28,49,326	22.85	2,28,49,326	22.85

The Authorized share capital of the Company has been increased to ₹30 Crores divided into 3,00,00,000 (Three Crore Only) Equity Shares of ₹10/- (Rupees Ten) each pursuant to approval of the shareholders in their Extra-ordinary meeting held on April 20, 2022.

**a) Reconciliation of number of equity shares and equity share capital**

Particulars	As at 31-03-2022		As at 31-03-2021	
	No. of Shares	Amount	No. of Shares	Amount
Balance as at the beginning of the year	2,28,49,326	22.85	2,28,49,326	22.85
Changes in equity share capital during the year	-	-	-	-
Balance as at the end of the year	2,28,49,326	22.85	2,28,49,326	22.85

**Notes to the Consolidated Financial Statements**

(Rupees in Crores)

**b) Rights, preferences and restrictions**

(i) Rights, preferences and restrictions attached to shares and terms of conversion of other securities into equity.

The company has one class of equity shares having par value of ₹10 each. Each share holder is eligible for one vote per share held and carry a right to dividend. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(ii) There are no restrictions attached to equity shares

**c) Details of shareholders holding more than 5% of the aggregate shares in the Company:**

Name of Shareholder	As at 31-03-2022		As at 31-03-2021	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Mr. Sukumar Srinivas, Bengaluru	1,15,78,787	50.67%	1,25,72,287	55.02%
Amansa Holdings Prviate Limted, Singapore	-	-	21,59,535	9.45%

**d) Shares held by promoters at the end of the year 31-03-2022**

S. No	Promoter name	No. of Shares	%of total shares	% Change during the year
1	Mr. Sukumar Srinivas, Bengaluru	1,15,78,787	50.67%	-7.90%
<b>Total</b>		<b>1,15,78,787</b>	<b>50.67%</b>	<b>-7.90%</b>

**Shares held by promoters at the end of the year 31-03-2021**

S. No	Promoter name	No. of Shares	%of total shares	% Change during the year
1	Mr. Sukumar Srinivas, Bengaluru	1,25,72,287	55.02%	0.02%
<b>Total</b>		<b>1,25,72,287</b>	<b>55.02%</b>	<b>0.02%</b>

**d) In the period of five years immediately preceding 31-03-2022:**

- The Company has not allotted any equity shares as fully paid-up without payment being received in cash.
- The Company has not allotted any equity shares by way of bonus issue.
- The Company has not bought back any equity shares.



## Notes to the Consolidated Financial Statements

(Rupees in Crores)

e) Pursuant to the approval of the Board of Directors in their meeting held on 24th March, 2022 and approval of shareholders through special resolution dated 20th April, 2022 passed in Extra-Ordinary General Meeting, the Board has allotted 14,00,000 Warrants on 7th May 2022, each carrying a right to subscribe to one Equity Share per Warrant, at a price of ₹750/- per Warrant ("Warrant Price"), aggregating to ₹105 crores. The Warrants were issued to APL Apollo Mart Limited, Delhi ("Acquirer"), a wholly owned subsidiary of APL Apollo Tubes Limited, Delhi an entity which presently does not qualify as a promoter or member of the promoter group of the Company. The Warrants were issued to APL Apollo Mart Limited by way of a preferential allotment.

### 19. OTHER EQUITY

Particulars	As at 31-3-2022	As at 31-03-2021
Capital Reserve	0.19	0.19
Securities Premium	111.28	111.28
General Reserve	1.24	1.24
Retained earnings	420.16	385.81
<b>OTHER COMPREHENSIVE INCOME:</b>		
Exchange differences on translating the Financial Statements of a foreign operation	0.24	0.30
<b>Total</b>	<b>533.11</b>	<b>498.82</b>

#### Capital Reserve

Reserve is primarily created on amalgamation as per statutory requirement.

#### Securities Premium

This consists of premium realised on issue of shares and will be applied/ utilised in accordance with the provisions of the Companies Act, 2013

#### General Reserve

General Reserve is an accumulation of retained earnings of the Group, apart from the balance in the statement of profit and loss which can be utilised for meeting future obligations.

#### Retained earnings

Surplus in Statement of Profit and Loss is part of retained earnings. This is available for distribution to shareholders as dividend and capitalisation.

#### Foreign currency translation reserve

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Currency Units) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve (in respect of translating both the net assets of foreign operations and hedges of foreign operations) are reclassified to profit or loss on the disposal of the foreign operation.



## Notes to the Consolidated Financial Statements

(Rupees in Crores)

## 20. BORROWINGS (NON - CURRENT)

Particulars	As at 31-3-2022	As at 31-03-2021
<b>Term Loans - secured*</b>		
(a) From banks	35.55	37.83
<b>Total</b>	<b>35.55</b>	<b>37.83</b>

*Terms and security	Current	Non-current	Total
Term Loan 1 - from a bank - under Emergency Credit Line for a period of 60 months (including 12 months of moratorium) - secured by second charge on all the existing and future current assets of the company- rate of Interest 7% pa - repayable in 48 equated monthly installments post moratorium period.	3.94	13.15	17.09
Term Loan 2 - from a bank - under Emergency Credit Line for a period of 60 months (including 12 months of moratorium) - secured by second charge on stock and book debts - documentation of the charge is yet to be completed by the bank - rate of Interest 7% pa - repayable in 48 equated monthly installments post moratorium period.	0.79	2.38	3.17
Term Loan 3 - from a bank - under Emergency Credit Line for a period of 60 months (including 12 months of moratorium) - secured primarily by charge on existing and future current assets of the company- second charge on the primary security pari passu with current assets - rate of Interest 7% pa - repayable in 48 equated monthly installments post moratorium period.	2.98	9.96	12.94
Term Loan 4 - from a bank - under Emergency Credit Line for a period of 60 months (including 12 months of moratorium) - secured primarily by charge on existing and future current assets of the company- second charge on the primary security pari passu with current assets - rate of Interest 7% pa - repayable in 48 equated monthly installments post moratorium period.	-	6.55	6.55
Term Loan 5 - from a bank - under Emergency Credit Line for a period of 60 months (including 12 months of moratorium) - secured primarily by charge on existing and future current assets of the company- second charge on the primary security pari passu with current assets - rate of Interest 7% pa - repayable in 48 equated monthly installments post moratorium period.	1.35	3.31	4.66
"Vehicle loan - first charge on the vehicle. Loan outstanding ₹0.32 crores repayable in 29 monthly instalments till 15th September 2024 - rate of interest 8.36 % p.a	0.12	0.20	0.32

Refer note no 44 for carrying amount of vehicles hypothecated

**21. LEASE LIABILITY (NON-CURRENT)**

Particulars	As at 31-3-2022	As at 31-3-2021
Lease liability	10.00	16.61
<b>Total</b>	<b>10.00</b>	<b>16.61</b>

**22. OTHER FINANCIAL LIABILITIES (NON-CURRENT)**

Particulars	As at 31-3-2022	As at 31-3-2021
Rent advance received	0.11	0.07
<b>Total</b>	<b>0.11</b>	<b>0.07</b>

**23. PROVISIONS (NON-CURRENT)**

Particulars	As at 31-3-2022	As at 31-3-2021
<b>Provision for employee benefits</b>		
(a) Gratuity (refer note no 45)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Movement in Provision for employee benefits - gratuity**

Particulars	As at 31-3-2022	As at 31-3-2021
Balance at the beginning of the year	-	0.22
Add: Provision made during the year	-	0.02
Less: Provision no longer required recognised in other income		
Provision utilised/ reversed during the year	-	0.24
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>

**24. INCOME TAXES**

Indian companies are subject to Indian income tax on a standalone basis. Each entity is assessed to tax on taxable profits determined for each fiscal year beginning on April 1 and ending on March 31.

Incomes are assessed based on book profits prepared under generally accepted accounting principles in India adjusted in accordance with the provisions of the Income tax Act, 1961. Such adjustments generally relate to depreciation of fixed assets, disallowances of certain provisions and accruals, the set-off of tax losses and depreciation carried forward and retirement benefit costs.



## Notes to the Consolidated Financial Statements

(Rupees in Crores)

## a) Income tax expenses

Particulars	For the year ended	
	31-03-2022	31-03-2021
<b>Current tax:</b>		
Current tax	10.82	8.01
Tax pertaining to earlier years	(0.01)	(0.53)
	<b>10.81</b>	<b>7.48</b>
<b>Deferred tax</b>	<b>0.93</b>	<b>(1.19)</b>
<b>Total</b>	<b>11.74</b>	<b>6.29</b>

A reconciliation of income tax expense applicable to accounting profit before tax at the statutory income tax rate to income tax expense recognised for the year is furnished below:

Particulars	For the year ended 31-03-2022		For the year ended 31-3-2021	
	%	Amount	%	Amount
<b>Profit / (loss) before tax:</b>		46.06		20.14
<b>Tax using the company's domestic tax rate</b>	25.168%	11.59	25.168%	5.07
<b>Tax impact on account of</b>				
Expenses not deductible in determining taxable profits	2.01%	0.92	4.28%	0.86
Deductions allowable under tax laws	(1.06%)	(0.49)	2.56%	(0.51)
Ind AS Adjustments	(0.52%)	(0.24)	0.00%	0.00
Fair value gain on derivatives not designated as hedges	0.00%	-	5.03%	1.01
Others	(0.07%)	(0.03)	1.96%	0.39
<b>Effective income tax rate/ Tax expense</b>	<b>25.50%</b>	<b>11.75</b>	<b>33.87%</b>	<b>6.82</b>
Particulars	For the year ended 31-03-2022		For the year ended 31-3-2021	
	%	Amount	%	Amount
Tax expenses				
- Current tax		10.82		8.01
- Deferred tax		0.93		(1.19)
<b>Total tax</b>		<b>11.75</b>		<b>6.82</b>
Add: Tax for earlier years		(0.01)		(0.53)
<b>Total tax expenses reported for the year</b>		<b>11.74</b>		<b>6.29</b>





## Notes to the Consolidated Financial Statements

(Rupees in Crores)

### b) Current Tax Liabilities

Particulars	As at 31-03-2022	As at 31-03-2021
Current tax liabilities (Net)	3.21	3.88

### c) Current Tax Assets

Particulars	As at 31-03-2022	As at 31-03-2021
Current Tax Assets (Net)	0.19	-

### d) Deferred Tax Liabilities

The majority of the deferred tax balance represents differential rates of depreciation for property, plant and equipment under Income Tax Act and disallowance of certain expenditure under Income Tax Act. Significant components of deferred tax assets/(liabilities) recognized in the financial statements are as follows:

Particulars	As at 31-3-2022	As at 31-3-2021
<b>Deferred Tax Liability:</b>		
On account of depreciation for tax purpose	10.47	9.63
<b>Deferred Tax Asset:</b>		
Opening adjustments as per Ind AS 116	(0.72)	(0.72)
Expenses allowed on payment basis	0.10	0.07
Allowance for doubtful receivables and advances	(2.71)	(2.86)
Ind AS Adjustments	(0.30)	(0.19)
Unrealised profit on intra-group inventory transfer	-	(0.03)
<b>Deferred Tax (Asset) /Liabilities (Net)</b>	<b>6.84</b>	<b>5.90</b>

**Notes to the Consolidated Financial Statements**

(Rupees in Crores)

Deferred tax balance (Asset) /Liability in relation to	Balance as at 01-4-2021	Recognised/ (reversed) through profit and loss	Recognised in/ reclassified from other comprehensive income	Balance as at 31-03-2022
Depreciation under Income Tax Act	9.63	0.84	-	10.47
Provision for employee benefit	0.07	0.02	0.01	0.10
Allowance for doubtful receivables and advances	(2.86)	0.15	-	(2.71)
Ind AS Adjustments	(0.19)	(0.11)	-	(0.30)
Fair value gain on derivatives not designated as hedges	-	-	-	-
Adjustment on adoption of Ind AS 116	(0.72)	-	-	(0.72)
Others	(0.03)	0.03	-	-
<b>Total</b>	<b>5.90</b>	<b>0.93</b>	<b>0.01</b>	<b>6.84</b>

Deferred tax balance (Asset)/Liability in relation to	Balance as at 01-4-2020	Recognised/ (reversed) through profit and loss	Recognised in/ reclassified from other comprehensive income	Balance as at 31-03-2021
Depreciation under Income Tax Act	10.55	(0.92)	-	9.63
Provision for employee benefit	(0.04)	(0.05)	0.16	0.07
Allowance for doubtful receivables and advances	(2.06)	(0.80)	-	(2.86)
Ind AS Adjustments	(0.29)	0.10	-	(0.19)
Fair value gain on derivatives not designated as hedges	(0.21)	0.21	-	-
Adjustment on adoption of Ind AS 116	(0.72)	-	-	(0.72)
Others	(0.30)	0.27	-	(0.03)
<b>Total</b>	<b>6.93</b>	<b>(1.19)</b>	<b>0.16</b>	<b>5.90</b>

**25. BORROWINGS (CURRENT)**

Particulars	As at 31-3-2022	As at 31-3-2021
<b>SECURED</b>		
(a) Loans repayable on demand (from banks)	76.86	113.03
(b) Current maturities of long term debt ( from banks) (refer note no 20)	9.18	0.79
<b>UNSECURED</b>		
Working Capital loan (from a financial institution)	-	0.02
<b>Total Borrowings</b>	<b>86.04</b>	<b>113.84</b>

**Terms and Security:**

\*Working capital loans are repayable on demand and carries interest @ 7.25% to 11.00% and secured by:

- First charge on the existing and future current assets and certain fixed assets belonging to the Group.
- Guarantee by the Managing Director
- Rate of interest on loan availed from finance company - 11%

**Other disclosures (for both current and non-current borrowings)**

(i) Quarterly returns or statements of current assets filed by the group with banks are in agreement with books of accounts.

(ii) The Group has adhered to debt repayment and interest service obligations on time. None of the Companies in the Group have been declared as wilful defaulter by any bank or financial institution.

(iii) All applicable cases where registration of charges or satisfaction is required to be filed with Registrar of Companies have been filed. No registration or satisfaction is pending as at 31-03-2022

(iv) Term loans were applied for the purposes for which they were obtained. Further short term loans availed not have been utilised for long term purposes

**Reconciliation of cashflows from financing activities**

Particulars	As at 31-03-2022	As at 31-03-2021
Cash and cash equivalents	2.48	10.90
Current borrowings	(76.86)	(113.05)
Non-current borrowings*	(44.73)	(38.62)
<b>Net Debt</b>	<b>(119.11)</b>	<b>(140.77)</b>

\*Including current maturities of long-term debt



## Notes to the Consolidated Financial Statements

(Rupees in Crores)

Particulars	Other Assets	Liabilities from financing activities		Total
	Cash and cash equivalents	Current borrowings	Non-current borrowings	
<b>Net debt as at 01-04-2020</b>	13.49	(238.14)	(2.44)	(227.09)
Cash flows	(2.59)	-	-	(2.59)
Proceeds from borrowings	-	123.20	(37.83)	85.37
Repayment of borrowings	-	-	1.65	1.65
Exchange gain on restatement	-	1.89	-	1.89
Interest Expense	-	-	-	-
Other non-cash movement	-	-	-	-
- Acquisition / Disposals	-	-	-	-
- Fair value Adjustments	-	-	-	-
<b>Net debt as at 31-03-2021</b>	<b>10.90</b>	<b>(113.05)</b>	<b>(38.62)</b>	<b>(140.77)</b>
Particulars	Other Assets	Liabilities from financing activities		Total
	Cash and cash equivalents	Current borrowings	Non-current borrowings	
<b>Net debt as at 01-04-2021</b>	10.90	(113.05)	(38.62)	(140.77)
Cash flows	(8.42)	-	-	(8.42)
Proceeds from borrowings	-	36.19	(6.95)	29.24
Repayment of borrowings	-	-	0.84	0.84
Exchange gain on restatement	-	0.00	-	0.00
Interest Expense	-	-	-	-
Other non-cash movement	-	-	-	-
- Acquisition / Disposals	-	-	-	-
- Fair value Adjustments	-	-	-	-
<b>Net debt as at 31-03-2022</b>	<b>2.48</b>	<b>(76.86)</b>	<b>(44.73)</b>	<b>(119.11)</b>

Note:

Assets are presented in positive numbers

Liabilities are presented in negative numbers

**26. LEASE LIABILITY- CURRENT**

Particulars	As at 31-03-2022	As at 31-03-2021
Lease liability	1.32	0.87
<b>Total</b>	<b>1.32</b>	<b>0.87</b>

**27. TRADE PAYABLES**

Particulars	As at 31-03-2022	As at 31-03-2021
(a) Total outstanding dues of micro enterprises and small enterprises (MSME) [refer note no 42]	67.14	0.15
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	251.55	205.40
<b>Total</b>	<b>318.69</b>	<b>205.55</b>



## Trade Payables ageing schedule as at 31-03-2022

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	67.14	-	-	-	-	67.14
(ii) Others	250.76	0.79	-	-	-	251.55
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>317.90</b>	<b>0.79</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>318.69</b>

## Trade Payables ageing schedule as at 31-03-2021

Particulars	Not Due	Outstanding for following periods from due date of				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	0.15	-	-	-	-	0.15
(ii) Others	203.98	1.42	-	-	-	205.40
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>204.13</b>	<b>1.42</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>205.55</b>

## 28. OTHER FINANCIAL LIABILITIES (CURRENT)

Particulars	As at 31-03-2022	As at 31-03-2021
(a) Interest accrued but not due	0.35	0.47
(b) Unclaimed Dividend	0.04	0.04
(c) Employee Benefits payable	5.01	3.87
(d) Other expense payable	4.08	3.50
	-	-
<b>Total</b>	<b>9.48</b>	<b>7.88</b>

## 29. OTHER CURRENT LIABILITIES

Particulars	As at 31-03-2022	As at 31-03-2021
(a) Advances from customers (refer note no 46(c))	7.23	6.97
(b) Statutory dues	5.57	4.38
<b>Total</b>	<b>12.80</b>	<b>11.35</b>

**30. PROVISIONS (CURRENT)**

Particulars	As at 31-03-2022	As at 31-03-2021
<b>Provision for employee benefits</b>		
(a) Gratuity (refer note no 45)	0.56	0.22
(b) Compensated absences	0.22	0.13
<b>Total</b>	<b>0.78</b>	<b>0.35</b>

**Movement in provision for gratuity**

Particulars	As at 31-03-2022	As at 31-03-2021
Balance at the beginning of the year	0.22	1.53
Add: Provision made during the year	0.34	0.17
Less: Provision utilised/ reversed during the year		1.48
<b>Balance at the end of the year</b>	<b>0.56</b>	<b>0.22</b>

**Movement in provision for compensated absences**

Particulars	As at 31-03-2022	As at 31-03-2021
Balance at the beginning of the year	0.13	0.33
Add: Provision made during the year	0.09	-
Less: Provision utilised/ reversed during the year		0.20
<b>Balance at the end of the year</b>	<b>0.22</b>	<b>0.13</b>







**31. REVENUE FROM OPERATIONS**

Particulars	For the year ended 31-03-2022	For the year ended 31-03-2021
(a) Sale of traded goods	2,281.22	1,936.68
(b) Sale of manufactured products	127.99	95.68
(c) Other Operating Revenues - Sale of scrap	9.19	6.01
<b>Total</b>	<b>2,418.40</b>	<b>2,038.37</b>

**32. OTHER INCOME**

Particulars	For the year ended 31-03-2022	For the year ended 31-03-2021
(a) Interest Income	0.33	0.48
(b) Rent received	0.18	0.22
(c) Gain on disposal of property, plant and equipment	0.85	0.14
(d) Gain on termination of lease	0.10	1.74
(e) Unwinding of interest income on rental deposits	0.40	0.80
(f) Exchange gain on restatement of liability	-	1.90
(g) Provision for expenses no longer required written back	0.14	0.15
(h) Provision for doubtful debts written off no longer required	0.59	-
(i) Payables written back	0.07	0.31
(j) Other non-operating income	0.44	0.48
<b>Total</b>	<b>3.10</b>	<b>6.22</b>

**33. COST OF MATERIALS CONSUMED**

Particulars	For the year ended 31-03-2022	For the year ended 31-03-2021
Opening stock of Raw Materials (A)	42.41	66.12
Purchases of Raw Materials (B)	581.15	429.07
Closing stock of Raw Materials ( C )	55.13	42.41
<b>Total (A) + (B) - (C)</b>	<b>568.43</b>	<b>452.78</b>

**34. CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-TRADE**

Particulars	For the year ended 31-03-2022	For the year ended 31-03-2021
Opening stock of Finished goods	22.62	20.91
Less: Closing stock of Finished goods	28.80	22.62
<b>Total (A)</b>	<b>(6.18)</b>	<b>(1.71)</b>
Opening stock of Stock-in-Trade	245.80	307.40
Less: Closing stock of Stock-in-Trade	283.33	245.80
<b>Total (B)</b>	<b>(37.53)</b>	<b>61.60</b>
<b>Total (A) + (B)</b>	<b>(43.71)</b>	<b>59.89</b>

**35. EMPLOYEE BENEFITS EXPENSES**

Particulars	For the year ended 31-03-2022	For the year ended 31-03-2021
(a) Salaries and Wages	36.99	30.31
(b) Contribution for:		
(i) Provident fund (refer note no 45(a))	2.40	2.48
(ii) Employees' State Insurance (refer note no 45(a))	0.27	0.29
(c) Gratuity (refer note no 45 (b))	0.76	0.86
(d) Welfare Expenses	0.92	0.73
<b>Total</b>	<b>41.34</b>	<b>34.67</b>

**36. FINANCE COSTS**

Particulars	For the year ended 31-03-2022	For the year ended 31-03-2021
(a) Interest Expense on borrowings	23.01	29.86
(b) Other borrowing costs	0.24	0.76
(c) Interest on lease liability	1.12	2.46
<b>Total</b>	<b>24.37</b>	<b>33.08</b>

**Notes to the Consolidated Financial Statements**

(Rupees in Crores)

**36 (a) DEPRECIATION AND AMORTIZATION EXPENSE**

Particulars	Note No	For the year ended 31-03-2022	For the year ended 31-03-2021
(a) Depreciation			
- Property, plant and equipment	4	12.29	12.29
- Investment property	5	0.02	0.04
- Right-of-use Asset	6	4.86	8.78
Total		17.17	21.11
Less: Depreciation withdrawn on reclassification	5	0.17	-
Total (A)		17.00	21.11
(b) Amortization of intangible assets	7 (b)	0.24	2.87
<b>Total</b>		<b>17.24</b>	<b>23.98</b>

**37. OTHER EXPENSES**

Particulars	For the year ended 31-03-2022	For the year ended 31-03-2021
(a) Power, Fuel & Water	4.94	4.47
(b) Stores & Spares consumed	6.13	4.97
(c) Rent	4.31	3.37
(d) Repairs and Maintenance		
(i) Buildings	0.02	0.01
(ii) Other Assets	5.37	5.45
(e) Insurance	1.16	1.19
(f) Rates & Taxes	0.77	0.80
(g) Travelling and Conveyance	1.51	0.96
(h) Payment to Auditors (refer note below)	0.41	0.41
(i) Legal and Professional fees	1.04	1.36
(j) Directors sitting fees	0.26	0.26
(k) Communication Expenses	0.80	0.91
(l) Advertisement & Publicity Expenses	0.46	0.20
(m) Loss Allowance for doubtful trade receivables	-	3.16
(n) Material handling charges***	7.84	7.87
(o) Freight outwards**	1.25	1.72
(p) Commission Charges	0.87	0.56
(q) Bad Debts written off	4.69	0.03
(r) Loss on disposal of property, plant and equipment	0.35	0.36
(s) Sub contracting	0.37	0.97
(t) Corporate Social Responsibility expenditure (refer note no 50)	1.58	2.03
(u) Exchange Loss	-	0.00
(v) Fair value loss on derivatives not designated as hedges	-	3.03
(w) Miscellaneous Expenses *	3.96	3.98
<b>Total</b>	<b>48.09</b>	<b>48.07</b>



## Notes to the Consolidated Financial Statements

(Rupees in Crores)

\*Under this head, there is no expenditure which is in excess of 1% of revenue from operations or ₹0.10 crores, whichever is higher.

\*\*Freight recovered from customers-Current year-₹7.8 crores Previous year-₹6.74 crores

\*\*\*Material handling charges recovered from customers-Current year-₹4.73 crores Previous year-₹3.71 crores

**Note : Breakup for payment to auditors is as under (excluding GST):**

Particulars	For the year ended 31-03-2022	For the year ended 31-03-2021
(a) Statutory Audit	0.29	0.25
(b) Tax Audit	0.03	0.03
(c) Limited Review fees	0.01	0.01
(d) Certification charges	0.03	0.09
(e) Out of Pocket Expenses	0.05	0.03
<b>Total</b>	<b>0.41</b>	<b>0.41</b>

### 38. Earnings Per Share (EPS)

Particulars	For the year ended 31-03-2022	For the year ended 31-03-2021
<b>Basic &amp; Diluted</b>		
A. Profit attributable to equity shareholders (inCrores)	34.32	13.85
B. Weighted average number of equity shares (in crores)	2.28	2.28
C. Basic and Diluted EPS (₹) [A/B]	15.02	6.06
Face value per share (₹)	10	10

The Group does not have any potential equity shares. Accordingly, basic and diluted earnings per share will remain the same.

### 39. Contingent liabilities:

Particulars	As at 31-03-2022	As at 31-03-2021
To the extent not provided for:		
(A) In respect of Sales Invoices discounted	6.61	3.61
(B) Liability disputed but not provided for		
(i) Income tax	-	0.82
(ii) Central sales tax	0.07	0.07
(iii) Value added tax	1.16	1.16
(iv) Entry tax	0.97	0.97

The above disputes are pending in appeal before various forums in the respective department. Outflows, if any, arising out of these claims would depend upon the adjudication of appellate authorities and the Group's rights for further appeals.

**Notes to the Consolidated Financial Statements**

(Rupees in Crores)

Amount remitted against disputed liability

Particulars	As at 31-03-2022	As at 31-03-2021
(i) Income tax	-	0.81
(ii) Central sales tax	0.04	0.04
(iii) Value added tax	0.24	0.23
(iv) Entry tax	0.24	0.24

**40. Commitments**

Particulars	As at 31-03-2022	As at 31-03-2021
Estimated value of capital commitments towards buildings (Net of advances)	0.34	0.34
<b>Total</b>	<b>0.34</b>	<b>0.34</b>

**41. Operating lease****a) As lessor:****Leasing Arrangements:**

The investment properties are leased to tenants under operating leases with rentals payable monthly.

Minimum lease payments receivable on leases of investment properties are as follows:

Particulars	As at 31-3-2022	As at 31-3-2021
Within one year	0.25	0.15
Between 1 and 2 years	0.19	0.09
Between 2 and 3 years	0.10	0.03
Between 3 and 4 years	-	-
Between 4 and 5 years	-	-
Later than 5 years	-	-
	0.54	0.27

**b) As lessee:**

Various Buildings have been taken on operating lease with lease term between 11 and 144 months for office premises, storage space and retail shop, which are renewable on a periodic basis by mutual consent of both parties. There is no restriction imposed by lease arrangements, such as those concerning dividends, additional debts.

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised.





## Notes to the Consolidated Financial Statements

(Rupees in Crores)

For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

### Accounting for Leases under Ind AS 116

Particulars	For the year ended 31-03-2022	For the year ended 31-03-2021
Gross carrying amount of Right-of-use assets -Opening	30.50	55.08
Depreciation charged for the Right-of-use assets	4.86	8.78
Interest expense on lease liability	1.12	2.46
The rental expense relating to short-term leases for which Ind AS 116 has not been applied	4.31	3.37
Additions to Right-of-use assets during the current year	0.50	0.14
Deletions to Right-of-use assets during the current year	7.93	24.72
Gross carrying amount of Right-of-use assets -Closing	23.07	30.50
Total cash outflow for leases for the year	6.18	9.92

### Lease liabilities

Particulars	As at 31-03-2022	As at 31-03-2021
Maturity analysis - contractual undiscounted cash flows		
Not later than one year	6.88	7.41
Later than one year and not more than five years	22.45	30.16
More than five years	0.85	2.42
<b>Total undiscounted liabilities</b>	<b>30.18</b>	<b>39.99</b>
Lease liabilities		
Current	1.32	0.87
Non-current	10.00	16.61

**42. Additional Information**

Disclosure required under Clause 22 of Micro, Small and Medium Enterprise Development ('MSMED') Act, 2006 (as per information available with the Group):

<b>Particulars</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>
(i) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;	67.14	0.15
(ii) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006.	-	-
(iv) the amount of interest accrued and remaining unpaid at the end of each accounting year and	-	-
(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

## Notes to the Consolidated Financial Statements

(Rupees in Crores)

### 4.3. Segment Reporting

The Group is engaged in selling various building products to Retail and Channel & Enterprise segments. The group identifies these business segments as the primary segment as per Ind AS 108 – Operating Segments, which is regularly reviewed by the Chief Operating Decision Maker for assessment of Group's performance and resource allocation. Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments. The group does not have any material operations outside India and hence disclosure of geographic segments is not applicable.

Particulars	31st March 2022		31st March 2021		Total
	Retail	Channel & Enterprise *	Retail	Channel & Enterprise *	
<b>Income</b>					
External Sale	1,408.09	1,010.31	1,183.95	854.42	2,038.37
<b>Segment Revenue</b>	<b>1,408.09</b>	<b>1,010.31</b>	<b>1,183.95</b>	<b>854.42</b>	<b>2,038.37</b>
<b>Segment Result</b>	<b>88.77</b>	<b>14.40</b>	<b>67.70</b>	<b>24.11</b>	<b>91.81</b>
<b>Other Unallocated Items</b>					
Finance Cost			24.37		33.08
Unallocable Corporate Expenses (Net)			32.74		38.59
<b>Profit before tax</b>			<b>46.06</b>		<b>20.14</b>
<b>OTHER INFORMATION</b>					
Segment assets	360.86	372.31	733.17	280.06	626.34
Unallocated assets			307.61		299.46
<b>Total Assets</b>			<b>1,040.78</b>		<b>925.80</b>
Segment Liabilities	71.01	247.68	318.69	66.62	205.55
Unallocated liabilities			166.13		198.58
<b>Total Liabilities</b>			<b>484.82</b>		<b>404.13</b>
Capital Expenditure			20.96		14.44
Depreciation			17.24		23.98
Non-cash expenses other than depreciation			4.69		0.03





## Notes to the Consolidated Financial Statements

(Rupees in Crores)

\* Revenue from Channel &amp; Enterprise segment are as follows:

Particulars of segment	For the periods ended			
	31st March 2022		31st March 2021	
	At a point of time	Over a period of time	At a point of time	Over a period of time
Channel	505.33	-	421.82	-
Enterprise	504.98	-	432.60	-
<b>Total</b>	<b>1,010.31</b>	<b>-</b>	<b>854.42</b>	<b>-</b>

There were no customers the revenue derived from whom exceeded 10% or more of the entity's total revenue.

**44. Assets hypothecated as security**

The carrying amounts of assets hypothecated as security for current and non-current borrowings are:

Particulars	Note No	As at 31-03-2022	As at 31-03-2021
<b>Current Assets</b>			
<b>A) Financial assets</b>			
(i) First and Second Charge			
- Trade Receivables	13	354.00	295.09
(ii) Floating Charge			
<b>B) Non Financial assets</b>			
(i) First and Second Charge			
- Inventories (net off goods-in-transit)	12	370.86	315.77
(ii) Floating Charge			
<b>Total current assets hypothecated as security</b>		<b>724.86</b>	<b>610.86</b>
<b>Non-Current Assets</b>			
<b>A) Financial assets</b>			
(i) First and Second Charge			
- Trade Receivables	8	3.17	3.81
(ii) Floating Charge			
<b>B) Non Financial assets</b>			
(i) First Charge			
- Vehicles and other movable assets	4	0.42	2.91
- Land and Building	4	36.88	46.03
- Plant and Equipment	4	47.10	51.04
(ii) Floating Charge			
<b>Total non-current assets hypothecated as security</b>		<b>87.57</b>	<b>103.79</b>
<b>Total assets hypothecated as security</b>		<b>812.43</b>	<b>714.65</b>



## 45. Employee benefits

### a) Defined contribution plans

Contribution to Defined contribution plans, recognised as an expense for the year is as under:

Particulars	For the year ended 31-03-2022	For the year ended 31-03-2021
Employer's Contribution to Provident Fund (includes pension fund)	2.40	2.48
Employer's Contribution to Employees' State Insurance	0.27	0.29

### b) Defined benefit plan

#### (i) Gratuity

The Group has funded the gratuity liability ascertained on actuarial basis, wherein every employee who has completed five years or more of service is entitled to gratuity on retirement or resignation or death calculated at last 15 days salary for each completed year of service, subject to a maximum of ₹20 lacs per employee. The vesting period for gratuity as payable under The Payment of Gratuity Act, 1972 is 5 years.

The plans in India typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

**Investment risk:** The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bond yields; if the return on plan asset is below this rate, it will create a plan deficit.

**Interest risk:** A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

**Longevity risk:** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

There are no other post-retirement benefits provided to employees.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31-03-2022. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

**Notes to the Consolidated Financial Statements**

(Rupees in Crores)

**Gratuity (Funded)**

<b>Particulars</b>	<b>As at 31-3-2022</b>	<b>As at 31-3-2021</b>
<b>Liability recognized in the Balance Sheet</b>		
Present value of defined benefit obligation		
Opening Balance	7.56	7.98
Current Service Cost	0.74	0.76
Past Service Cost	-	-
Interest Cost	0.47	0.50
Actuarial Loss/(Gain) on obligation	(0.23)	(0.60)
Transfer In/(Out)	-	-
Benefits paid	(0.68)	(1.08)
<b>Closing Balance</b>	<b>7.86</b>	<b>7.56</b>
<b>Less: Fair Value of Plan Assets</b>		
Opening Balance	7.52	6.23
Expected Return on Plan assets less loss on investments	0.45	0.40
Actuarial (Loss)/Gain on Plan Assets	(0.19)	0.08
Employers' Contribution	0.25	1.74
Benefits paid	(0.68)	(1.08)
Transfer In/(Out)	-	0.15
<b>Closing Balance</b>	<b>7.35</b>	<b>7.52</b>
<b>Amount recognized in Balance Sheet (refer note no 17 and 30)*</b>	<b>0.51</b>	<b>0.04</b>





## Notes to the Consolidated Financial Statements

(Rupees in Crores)

Particulars	As at 31-3-2022	As at 31-3-2021
<b>Expenses during the year</b>		
Current Service cost	0.74	0.76
Past Service cost	-	-
Interest cost	0.47	0.50
Expected Return on Plan assets	(0.45)	(0.40)
<b>Component of defined benefit cost recognized in statement of profit &amp; loss (refer note no 35)</b>	<b>0.76</b>	<b>0.86</b>
Remeasurement of net defined benefit liability		
- Actuarial Loss/(Gain) on defined benefit obligation	(0.23)	(0.60)
- Actuarial Loss/(Gain) on Plan Assets	0.19	(0.08)
<b>Component of defined benefit cost recognized in other comprehensive income</b>	<b>(0.04)</b>	<b>(0.68)</b>
<b>Total</b>		
<b>Actual Return on plan assets</b>	<b>0.26</b>	<b>0.48</b>
<b>Break up of Plan Assets:</b>		
i) Equity instruments	-	-
ii) Debt instruments	-	-
iii) Investment Funds with Insurance Company	100%	100%
Of which, Unit Linked	100%	100%
Of which, Traditional/ Non-Unit Linked	-	-
iv) Asset-backed securities	-	-
v) Structured debt	-	-

\* Current year balance is net off ₹0.05 crores paid in advance by two subsidiary companies. (Previous year balance is net off ₹0.18 crores paid in advance by two subsidiary companies)

Note: None of the assets carry a quoted market price in an active market or represent the entity's own transferable financial instruments or are property occupied by the entity.

### Principal actuarial assumptions

Particulars	As at 31-03-2022	As at 31-03-2021
Discount Rate	6.5% - 6.9%	6.2% - 6.5%
Expected rate (s) of salary increase	7.00%	7.00%
Expected return on plan assets	6.2% - 6.5%	6.3% - 7%
Attrition rate	10.00%	10.00%
Mortality rate during employment	Indian assured lives mortality 2012-2014 Ult.	



## Notes to the Consolidated Financial Statements

(Rupees in Crores)

## Experience adjustments

Particulars	31-03-2022	31-03-2021	31-03-2020	31-03-2019	31-03-2018
Defined Benefit Obligation	7.86	7.56	7.98	6.83	5.33
Plan Assets	7.35	7.53	6.23	5.15	4.54
Surplus / (Deficit)	(0.51)	(0.04)	(1.75)	(1.69)	(0.79)
Experience Adjustments on Plan Liabilities – (Loss)/Gain	0.15	0.33	(0.27)	(0.49)	0.05
Experience Adjustments on Plan Assets – (Loss)/Gain	(0.18)	0.09	0.34	0.05	(0.10)

The Group expects to contribute ₹0.56 crores (previous year ₹0.22 crores ) to its gratuity plan for the next year.

In assessing the Group's post retirement liabilities, the Group monitors mortality assumptions and uses up-to date mortality tables, the base being the Indian assured lives mortality (2012-14) ultimate.

Expected return on plan assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations after considering several applicable factors such as the composition of plan assets, investment strategy, market scenario, etc.

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

Effective 29-03-2018, the Government of India has notified the Payment of Gratuity (Amendment) Act, 2018 to raise the statutory ceiling on gratuity benefit payable to each employee to ₹20 lacs from ₹10 lacs. Accordingly the amended and improved benefits, if any, are recognised as current year's expense as required under paragraph 103, Ind AS 19.

## Sensitivity Analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Particulars	Impact on Defined benefit obligation			
	As at 31-03-2022		As at 31-03-2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% increase)	0.54	-	-	0.49
Discount rate (1% decrease)	-	0.49	0.56	-
Future salary growth (1% increase)	0.54	-	0.55	-
Future salary growth (1% decrease)	-	0.49	-	0.49
Attrition rate (1% increase)	0.03	-	-	0.04
Attrition rate (1% decrease)	-	0.02	0.04	-



## Notes to the Consolidated Financial Statements

(Rupees in Crores)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

The average expected remaining lifetime of the plan members is 6 to 8 years (31-03-2021 - 6 to 7 years) as at the valuation date which represents the weighted average of the expected remaining lifetime of all plan participants.

The expected maturity analysis of the benefit payments of gratuity is as follows:

Particulars	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
<b>31-03-2022</b>					
Defined benefit obligation (Gratuity)	0.99	1.06	3.16	5.48	10.69
<b>Total</b>	<b>0.99</b>	<b>1.06</b>	<b>3.16</b>	<b>5.48</b>	<b>10.69</b>
<b>31-03-2021</b>					
Defined benefit obligation (Gratuity)	1.00	1.16	3.19	5.40	10.75
<b>Total</b>	<b>1.00</b>	<b>1.16</b>	<b>3.19</b>	<b>5.40</b>	<b>10.75</b>

The Group had deployed its investment assets in an insurance plan which is invested in market linked bonds. The investment returns of the market-linked plan are sensitive to the changes in interest rates as compared with the investment returns from the smooth return investment plan. The liabilities' duration is not matched with the assets' duration.

The liabilities of the fund are funded by assets or own funds. The Group aims to maintain a close to full-funding position at each Balance Sheet date. Future expected contributions are disclosed based on this principle.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

## 46. Disclosure on Accounting for revenue from customers in accordance with Ind AS 115

### Disaggregated revenue information

#### A. Type of goods and service

Particulars	For the year ended 31-03-2022	For the year ended 31-03-2021
(a) Sale of products	2,281.22	1,936.68
(b) Sale of Manufactured products	127.99	95.68
(c) Other operating revenues	9.19	6.01
Total Operating Revenue	2,418.40	2,038.37
In India	2,418.40	2,038.37
Outside India	-	-

**B. Timing of revenue recognition**

Particulars	For the year ended 31-03-2022		For the year ended 31-03-2021	
	At a point of time	Over a period of time	At a point of time	Over a period of time
Sale of products and other operating income	2,418.40	Nil	2,038.37	Nil

**C. Contract Balances**

Particulars	As at 31-03-2022	As at 31-03-2021
Contract Assets	-	-
Contract Liabilities	7.23	6.97

**D. Revenue recognised in relation to contract liabilities**

Particulars	For the year ended 31-03-2022	For the year ended 31-03-2021
Revenue recognised in relation to contract liabilities	6.97	4.62

**E. Reconciliation of revenue recognised in the statement of profit and loss with the contracted price**

Particulars	For the year ended 31-03-2022	For the year ended 31-03-2021
Revenue at contracted prices	2,418.40	2,038.37
Revenue from contract with customers	2,418.40	2,038.37
Difference	-	-

**F. Unsatisfied or partially satisfied performance obligation**

Particulars	For the year ended 31-03-2022	For the year ended 31-03-2021
Unsatisfied or partially satisfied performance obligation	Nil	Nil





**47. Related party disclosures****A. Names of Related parties with whom transactions have taken place during the year/previous year and nature of relationship:**

Key Managerial Personnel	Mr. Sukumar Srinivas (Managing Director)
	Mr. C.Ravikumar (Whole-time Director)
	Mr. R.S.V.Sivaprasad (Whole-time Director till 31.12.2020)
	Mr. Siddhartha Mundra (Chief Executive Officer till 30.11.2020)
	Mr. Alex Varghese (Chief Financial Officer)
	Ms. Ereena Vikram (Company Secretary)
Relatives of Key Managerial Personnel	Mr. Dhananjay Mirlay Srinivas Mrs. Parwathi Mirlay Srikanth
Enterprise in which Key Managerial Personnel have significant influence	Shankara Holdings Private Limited, Bengaluru.
Entities where control exist	Shankara Building Products Employees Gratuity Fund
	Taurus Value Steel & Pipes Private Limited-Gratuity Fund
	Vishal Precision Steel Tubes and Strips Private Limited-Gratuity fund

B. Transactions with Related Parties	For the year ended	For the year ended
	31-03-2022	31-03-2021
<b>Amount contributed to</b>		
Shankara Building Products Employees Gratuity Fund	-	1.26
Taurus Value Steel & Pipes Private Limited-Gratuity Fund	0.01	0.01
Vishal Precision Steel Tubes and Strips Private Limited-Gratuity fund	-	0.23
<b>Advances granted to /(repaid by)</b>		
A Whole-time Director-Net	0.02	(0.01)
Chief Financial Officer-Net (CY ₹8,131)	(0.00)	(0.01)





## Notes to the Consolidated Financial Statements

(Rupees in Crores)

Remuneration to Key Managerial Personnel (refer note 1 below)	For the year ended 31-03-2022	For the year ended 31-03-2021
<b>Short-term employee benefits</b>		
Managing Director	0.31	-
Whole-time director	0.58	0.58
Chief Executive Officer	-	0.51
Chief Financial Officer	0.33	0.24
Company Secretary	0.12	0.09
<b>Remuneration paid to a relative of a Key Managerial Personnel</b>	0.05	0.03

Balance Outstanding to/ from related parties	As at 31-03-2022	As at 31-03-2021
<b>Remuneration payable to Key Managerial Personnel</b>		
Whole-time director	0.03	0.02
Chief Financial Officer	0.01	0.02
Company Secretary	0.01	0.01
<b>Remuneration payable to a relative of a Key Managerial Personnel</b> (CY-₹37,400, PY-₹28,000)	0.00	0.00
<b>Guarantees furnished by Managing Director</b>	292.50	- 325.00

### Notes

1. As the future liability for gratuity is provided on an actuarial basis for the company as a whole, the amount pertaining to individual is not ascertainable and therefore not included above.

C. Amount due to/ from related parties	As at 31-03-2022	As at 31-03-2021
Due from Whole-time director	0.02	-
Due from Chief Financial Officer	0.03	0.03

### Terms and Conditions

All outstanding credit balances are unsecured and are repayable in cash.

### Guarantees furnished by the Managing Director

Personal guarantee has been furnished by the Managing Director of the holding company to the Group to avail working capital facilities from the lender banks.

**48. DETAILS OF SUBSIDIARIES**

Details of the Group's subsidiaries at the end of reporting period are as follows:

Name of the Subsidiary	Place of incorporation	Proportion of ownership		Principal activity
		31-03-2022	31-03-2021	
<b>Direct Subsidiary</b>				
Vishal Precision Steel Tubes and Strips Private Limited, Hoskote, Karnataka	India	100%	100%	Manufacturing of steel products
Taurus Value Steel & Pipes Private Limited, Kutbullapur Mandal, Telangana	India	100%	100%	Manufacturing of steel products
Steel Networks (Holdings) Pte Limited, Singapore	Singapore	100%	100%	Investment holding company
Centurywells Roofing India Private Limited, Kancheepuram, Tamil Nadu	India	100%	100%	Manufacturing of roofing sheets

**49. FINANCIAL INSTRUMENTS****A. Capital Management****(1) Capital risk management**

The Group's capital requirements are mainly to fund its expansion, working capital and strategic acquisitions. The principal source of funding of the group has been, and is expected to continue to be, cash generated from its operations supplemented by borrowings from bank and the funds from capital markets. The Group is not subject to any externally imposed capital requirements.

The Group regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce finance cost and closely monitors its judicious allocation amongst competing expansion projects and strategic acquisitions, to capture market opportunities at minimum risk.

The Group monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents, Bank balances other than cash and cash equivalents.

Particulars	Note no	As at 31-03-2022	As at 31-03-2021
Long term borrowings	20	35.55	37.83
Current maturities of long-term debt	25	9.18	0.79
Short term borrowings	25	76.86	113.05
Less: Cash and cash equivalents	14	(2.48)	(10.90)
Net Debt (A)		119.11	140.77
Total Equity (B)	18,19	555.96	521.67
Gearing Ratio (A / B)		0.21	0.27

- (i) Equity includes all capital and reserves of the Group that are managed as capital.  
(ii) Debt is defined as long and short term borrowings (excluding financial guarantee contracts), as described in Note 20 and 25



## Notes to the Consolidated Financial Statements

(Rupees in Crores)

### (2) Dividend is not paid during the current year, as well as in the preceeding year.

The Board has recommended final dividend of ₹1/- per equity share (face value of ₹10/- each) aggregating to ₹2.29 crore for the financial year ended 31-03-2022, subject to the approval of the shareholders in the ensuing Annual General Meeting

## B. Categories of financial instruments

Particulars	Note no	As at 31-03-2022		As at 31-03-2021	
		Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial assets</b>					
<b>Measured at amortised cost</b>					
Loans	9	0.06	0.06	0.06	0.06
Other financial assets	10,16	10.35	10.35	10.20	10.20
Trade receivables	8,13	357.17	357.17	298.90	298.90
Cash and cash equivalents	14	2.48	2.48	10.90	10.90
Bank balances other than cash and cash equivalents	15	4.37	4.37	4.27	4.27
<b>Total financial assets at amortised cost (A)</b>		<b>374.43</b>	<b>374.43</b>	<b>324.33</b>	<b>324.33</b>
<b>Measured at fair value through other comprehensive income (B)</b>		-	-	-	-
<b>Measured at fair value through profit and loss</b>					
Derivative asset not designated as hedges					
Foreign exchange forward contracts		-	-	-	-
<b>Measured at fair value through profit and loss (C)</b>		-	-	-	-
<b>Total financial assets (A+B+C)</b>		<b>374.43</b>	<b>374.43</b>	<b>324.33</b>	<b>324.33</b>
Particulars	Note no	As at 31-03-2022		As at 31-03-2021	
		Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial liabilities</b>					
<b>Measured at amortised cost</b>					
Long term Borrowings *	20,25	44.73	44.73	38.62	38.62
Short term Borrowings**	25	76.86	76.86	113.05	113.05
Trade payables	27	318.69	318.69	205.55	205.55
Lease Liabilities	21,26	11.32	11.32	17.48	17.48
Other financial liabilities	22,28	9.59	9.59	7.95	7.95
<b>Total financial liabilities carried at amortised cost (A)</b>		<b>461.19</b>	<b>461.19</b>	<b>382.65</b>	<b>382.65</b>
<b>Total financial liabilities measured at fair value through other comprehensive income (B)</b>		-	-	-	-
<b>Total financial liabilities measured at fair value through profit and loss (C)</b>		-	-	-	-
<b>Total financial liabilities (A+B+C)</b>		<b>461.19</b>	<b>461.19</b>	<b>382.65</b>	<b>382.65</b>

\* including current maturities of long-term debt

\*\* excluding current maturities of long-term debt

**C. Financial risk management**

The Group has an Audit & Risk Management Committee established by its Board of Directors for overseeing the Risk Management Framework and developing and monitoring the Group's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the group's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the group.

The risk management policies aims to mitigate the following risks arising from the financial instruments:

- Market risk
- Credit risk and
- Liquidity risk

**(1) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Group is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates, commodity prices and interest rates.

**(i) Currency Risk****Exposure to currency risk**

Particulars	As at 31-03-2022		As at 31-03-2021	
	USD	INR	USD	INR
Total foreign currency exposure in respect of recognised liabilities	-	-	-	-
Forward exchange contracts	-	-	-	-
<b>Net Exposure</b>	-	-	-	-

**Sensitivity**

Currency risks related to the amounts of foreign currency loans are fully hedged using derivatives that mature on the same dates as the loans are due for repayment.

**(ii) Commodity price risk**

The Group's revenue is exposed to the market risk of price fluctuations related to the sale of its steel and other building products. Market forces generally determine prices for the steel products sold by the group. These prices may be influenced by factors such as supply and demand, production costs (including the costs of raw material inputs) and global and regional economic conditions and growth. Adverse changes in any of these factors may reduce the revenue that the group earns from the sale of its steel products.

The Group purchases the steel and other building products in the open market from third parties as well as from subsidiaries at prevailing market price. The Group is therefore subject to fluctuations in the prices of steel coil, steel pipes, sanitary wares etc.



## Notes to the Consolidated Financial Statements

(Rupees in Crores)

The Group aims to sell the products at prevailing market prices. Similarly the Group procures the products based on prevailing market rates as the selling prices of steel products and the prices of inputs move in the same direction.

### Inventory Sensitivity Analysis(Raw materials, Finished goods & Stock-in-trade)

A reasonably possible changes of 1% in prices of inventory at the reporting date, would have increased (decreased) equity and profit or loss by the amounts shown below. The analysis assumes that all other variables remain constant.

Particulars	Impact on profit or (loss)		Impact on Equity, net of tax	
	As at 31-03-2022	As at 31-03-2021	As at 31-03-2022	As at 31-03-2021
1% increase in prices of Inventory	(3.67)	(3.11)	(2.75)	(2.33)
1% decrease in prices of Inventory	3.67	3.11	2.75	2.33

### (iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk since funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the group are principally denominated in rupees. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings.

The following table provides a break-up of the Group's fixed and floating rate borrowings:

Particulars	As at 31-03-2022	As at 31-03-2021
Fixed rate borrowings	44.73	38.62
Floating rate borrowings	76.86	113.05
<b>Total borrowings</b>	<b>121.59</b>	<b>151.67</b>
Total Net borrowings as per Financial Statements	121.59	151.67
Add: Upfront fees	-	-
<b>Total borrowings</b>	<b>121.59</b>	<b>151.67</b>

### Sensitivity analysis for variable-rate instruments

This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Impact on profit or loss		Impact on Equity, net of tax	
	As at 31-03-2022	As at 31-03-2021	As at 31-03-2022	As at 31-03-2021
100 basis points increase in interest rates	(0.77)	(1.13)	(0.58)	(0.85)
100 basis points decrease in interest rates	0.77	1.13	0.58	0.85

**Notes to the Consolidated Financial Statements**

(Rupees in Crores)

**(2) Credit risk management**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of credit worthiness as well as concentration risks.

Group's credit risk arises principally from the trade receivables and advances.

**Trade receivables**

Customer credit risk is managed centrally by each entity in the Group and subject to established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on financial position, past performance, business/ economic conditions, market reputation, expected business etc. Based on that credit limit & credit terms are decided. Outstanding customer receivables are regularly monitored.

Trade receivables consist of a large number of customers spread across diverse industries and geographical areas with no significant concentration of credit risk. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables.

**Year ended 31-03-2022****Expected credit loss for trade receivables under simplified approach**

Ageing	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Gross carrying amount - Trade receivables	286.38	37.18	8.07	10.93	15.22	10.75	368.53
Expected credit losses (Loss allowance provision) trade receivables	-	(0.03)	(0.22)	(2.59)	(3.13)	(5.39)	(11.36)
Carrying amount of trade receivables (net of impairment)	286.38	37.15	7.85	8.34	12.09	5.36	357.17

**Year ended 31-03-2021****Expected Credit loss for Trade receivables**

Ageing	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Gross carrying amount - Trade receivables	234.86	26.45	8.02	21.93	10.97	8.62	310.85
Expected credit losses (Loss allowance provision) trade receivables	-	-	(0.14)	(4.40)	(3.10)	(4.32)	(11.96)
Carrying amount of trade receivables (net of impairment)	234.86	26.45	7.88	17.53	7.87	4.30	298.89

**(3) Liquidity risk management**

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Group requires funds both for short term operational needs as well as for strategic acquisitions. The Group generates sufficient cash flow for operations, which together with the available cash and cash equivalents and borrowings provide liquidity. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.





## Notes to the Consolidated Financial Statements

(Rupees in Crores)

The Group has access to the following undrawn borrowing facilities at the end of the reporting period:

### Financing arrangements

Particulars	As at 31-03-2022	As at 31-03-2021
Floating Rate		
- Expiring within one year	66.69	113.83
- Expiring beyond one year	-	-
	66.69	113.83

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods and its non-derivative financial assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows.

With respect to floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

### Liquidity exposure as at 31-03-2022

Particulars	Note no	< 1 year	1-5 years	> 5 years	Total
<b>Financial assets</b>					
Loans	9	-	0.06	-	0.06
Other financial assets	10,16	0.79	9.41	0.15	10.35
Trade receivables	8,13	354.00	3.17	-	357.17
Cash and cash equivalents	14	2.48	-	-	2.48
Bank balances other than cash and cash equivalents	15	4.37	-	-	4.37
<b>Total financial assets</b>		<b>361.64</b>	<b>12.64</b>	<b>0.15</b>	<b>374.43</b>
<b>Financial liabilities</b>					
Long term Borrowings *	20,25	9.18	35.55	-	44.73
Short term Borrowings**	25	76.86	-	-	76.86
Trade payables	27	318.69	-	-	318.69
Lease Liabilities	21,26	1.32	10.00	-	11.32
Other financial liabilities	22,28	9.48	0.11	-	9.59
<b>Total financial liabilities</b>		<b>415.53</b>	<b>45.66</b>	<b>-</b>	<b>461.19</b>

\* including current maturities of long-term debt

\*\*excluding current maturities of long-term debt

**Notes to the Consolidated Financial Statements**

(Rupees in Crores)

**Liquidity exposure as at 31-03-2021**

Particulars	Note no	< 1 year	1-5 years	> 5 years	Total
<b>Financial assets</b>					
Loans	9	-	0.06	-	0.06
Other financial assets	10,16	0.84	9.15	0.21	10.20
Trade receivables	8,13	295.09	3.81	-	298.90
Cash and cash equivalents	14	10.90	-	-	10.90
Bank balances other than cash and cash equivalents	15	4.27	-	-	4.27
<b>Total financial assets</b>		<b>311.10</b>	<b>13.02</b>	<b>0.21</b>	<b>324.33</b>
<b>Financial liabilities</b>					
Long term Borrowings *	20,25	0.79	37.83	-	38.62
Short term Borrowings**	25	113.05	-	-	113.05
Trade payables	27	205.55	-	-	205.55
Lease Liabilities	21,26	0.87	16.61	-	17.48
Other financial liabilities	22,28	7.88	0.07	-	7.95
<b>Total financial liabilities</b>		<b>328.14</b>	<b>54.51</b>	<b>-</b>	<b>382.65</b>

\* including current maturities of long-term debt

\*\*excluding current maturities of long-term debt

**Collateral**

The Group has hypothecated part of its financial assets in order to fulfil certain collateral requirements for the banking facilities extended to the Group. There is an obligation to return the securities to the Group once these banking facilities are surrendered. (refer note no 20, 25 and 44)

## Notes to the Consolidated Financial Statements

## D. Level wise disclosure of financial instruments

Particulars	Note no	As at 31-03-2022			As at 31-03-2021					
		Carrying Value	Fair Value		Level 1	Fair Value				
			Level 1	Level 2		Level 3	Level 1	Level 2	Level 3	
<b>Financial assets</b>										
Loans	9	0.06	-	-	-	-	0.06	-	-	-
Other financial assets	10,16	10.35	-	-	-	7.72	10.20	-	-	7.52
Trade receivables	8,13	357.17	-	-	-	-	298.90	-	-	-
Cash and cash equivalents	14	2.48	-	-	-	-	10.90	-	-	-
Bank balances other than cash and cash equivalents	15	4.37	-	-	-	-	4.27	-	-	-
<b>Total financial assets</b>		<b>374.43</b>	-	-	-	<b>7.72</b>	<b>324.33</b>	-	-	<b>7.52</b>
<b>Financial liabilities</b>										
Long term Borrowings *	20,25	44.73	-	-	-	-	38.62	-	-	-
Short term Borrowings**	25	76.86	-	-	-	-	113.05	-	-	-
Trade payables	27	318.69	-	-	-	-	205.55	-	-	-
Lease Liabilities	21,26	11.32	-	-	-	-	17.48	-	-	-
Other financial liabilities	22,28	9.59	-	-	-	-	7.95	-	-	-
<b>Total financial liabilities</b>		<b>461.19</b>	-	-	-	-	<b>382.65</b>	-	-	-

\* including current maturities of long-term debt

\*\*excluding current maturities of long-term debt

The carrying amounts of short-term borrowings, trade receivables, trade payables, cash and cash equivalents, other bank balances and other financial assets and liabilities other than those disclosed in the above table, are considered to be the same as their fair values, due to their short term nature.



**50. Corporate social responsibility**

a) Gross amount required to be spent by the Group during the year - ₹0.89 crores (Previous year: ₹1.49 crores)

b) Amount spent during the year:

**Year ended 31-03-2022**

Particulars	Amount required to be spent for the year	Amount of expenditure incurred	Shortfall at the end of the year	Total of previous years shortfall
a) Construction / acquisition of any assets	-	-	-	-
b) On purpose other than (a) above	0.89	1.58	-	0.69

**Year ended 31-03-2021**

Particulars	Amount required to be spent for the year	Amount of expenditure incurred	Shortfall at the end of the year	Total of previous years shortfall
a) Construction / acquisition of any assets	-	-	-	-
b) On purpose other than (a) above	1.49	2.03	0.69	0.75

Amount paid is included under Other expenses (refer note no 37)

The above aggregated CSR expenditure disclosed are relating to Parent and its subsidiaries.

**Nature of CSR Activities** - Healthcare infrastructure, education, environment sustainability, rehabilitating abandoned women and children.

**51. Previous year figures**

The previous year figures has been regrouped in accordance with amendment to Schedule III vide notification no. F. No. 17/62/2015-CL-V Vol-I dated March 24, 2021 issued by the Ministry of Corporate Affairs, wherever required.

**52.** No proceedings have been initiated or pending against the Group for holding Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the Rules made there under.

**53.** The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiary

**54.** The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries



## Notes to the Consolidated Financial Statements

(Rupees in Crores)

**55.** The Group has not operated in any crypto currency or Virtual Currency transactions

**56.** There are no transactions with the Companies whose name are struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956 during the year ended 31-03-2022

**57.** During the year the Group has not disclosed or surrendered, any income other than the income recognised in the books of accounts in the tax assessments under Income Tax Act, 1961.

**58.** The Group has complied with the number of layers prescribed under clause (87) of Section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

**59.** No scheme of arrangement has been approved by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013

**60.** The Group has not granted Loans or Advances in the nature of loan to any promoters, Directors, KMPs and the related parties (As per Companies Act, 2013) , which are repayable on demand or without specifying any terms or period of repayments

### **61. Events occurring after the Balance Sheet date**

The Board of the Holding Company has recommended a final dividend of ₹1/- (Rupee one only) per equity share (face value of ₹10/- each) for the financial year ended 31-03-2022 aggregating to ₹2.29 crores subject to the approval of shareholders in the ensuing Annual General Meeting.

### **62. Ratios as per the Schedule III requirements**

#### **A. Current ratio=Current asset / Current liability.**

Particulars	As at 31-3-2022	As at 31-3-2021
Current assets	766.32	651.79
Current Liabilities	432.32	343.72
<b>Ratio (times)</b>	<b>1.77</b>	<b>1.90</b>
<b>% change from previous year</b>	<b>-6.84</b>	

Reason for change more than 25%: Not applicable

#### **B. Net Debt-Equity Ratio =Net debt / total equity**

Particulars	As at 31-3-2022	As at 31-3-2021
Net Debt (refer note (i) below)	119.11	140.77
Equity	555.96	521.67
<b>Ratio (times)</b>	<b>0.21</b>	<b>0.27</b>
<b>% change from previous year</b>	<b>-22.22</b>	

#### **Note**

(i) Net debt = Long term borrowings + Short term borrowings - Cash and cash equivalents

Reason for change more than 25%: Not applicable

**Notes to the Consolidated Financial Statements**

(Rupees in Crores)

**C. Debt service coverage ratio= Earnings available for debt service / Interest expense and principal repayment of long term loan made during the year.**

Particulars	As at 31-3-2022	As at 31-3-2021
Earnings available for debt services (refer note (i) below)	87.67	77.20
Interest + Principal Repayments of long term loans made during the period excluding prepayment	24.68	32.26
<b>Ratio (times)</b>	<b>3.55</b>	<b>2.39</b>
<b>% change from previous year</b>	<b>48.54</b>	

**Note**

(i) Earnings available for debt service = Earnings before interest, tax, exceptional items, depreciation and amortisation.

Reason for change more than 25%: Reflects better operational performance

**D. Return on equity ratio= Net profit after tax / average equity**

Particulars	As at 31-3-2022	As at 31-3-2021
Net profit after tax	34.32	13.85
Average shareholders equity (refer note (i) below)	538.81	514.57
<b>Ratios (percentage)</b>	<b>6.4%</b>	<b>2.7%</b>
<b>% change from previous year</b>	<b>137.04</b>	

**Note**

(i) Average shareholders equity = (Total equity as at beginning of respective year + total equity as at end of respective year) divided by 2

Reason for change more than 25%: Reflects better operational performance

**E. Inventory turnover ratio= Cost of goods sold / average inventory**

Particulars	As at 31-3-2022	As at 31-3-2021
Cost of goods sold (refer note (i) below)	2,244.40	1,884.65
Average inventory (refer note (ii) below)	339.04	352.62
<b>Ratio (times)</b>	<b>6.62</b>	<b>5.34</b>
<b>% change from previous year</b>	<b>23.97</b>	

**Note**

(i) Cost of goods sold of respective year = Cost materials consumed + purchases + Changes in inventory

(ii) Average inventory = (Total inventory as at beginning of respective year + total inventory as at end of respective year) divided by 2

Reason for change more than 25%: Not applicable





## Notes to the Consolidated Financial Statements

(Rupees in Crores)

### F. Trade receivables turnover ratio = Sales / Average trade receivables

Particulars	As at 31-3-2022	As at 31-3-2021
Turnover (refer note (i) below)	2,853.71	2,405.27
Average trade receivables (refer note (ii) below)	328.03	365.59
<b>Ratio (times)</b>	<b>8.70</b>	<b>6.58</b>
<b>% change from previous year</b>	<b>32.22</b>	

#### Note

(i) Turnover = Revenue from operations (including GST)

(ii) Average trade receivables = (Total trade receivables as at beginning of respective year + total trade receivables as at end of respective year) divided by 2

Reason for change more than 25%: Reflects better operational performance

### G. Trade payables turnover ratio = Purchases / Average trade payables

Particulars	As at 31-3-2022	As at 31-3-2021
Purchases	2,300.83	1,801.05
Average trade payables (refer note (i) below)	262.12	282.95
<b>Ratio(times)</b>	<b>8.78</b>	<b>6.37</b>
<b>% change from previous year</b>	<b>37.83</b>	

#### Note

(i) Average trade payables = (Total Trade Payables as at beginning of respective year + Total Trade Payables as at end of respective year) divided by 2

Reason for change more than 25%: Reflects better operational performance

### H. Net capital turnover ratio = Revenue from operations / Working capital

Particulars	As at 31-3-2022	As at 31-3-2021
Revenue from operations	2,418.40	2,038.37
Working capital	334.00	308.06
<b>Ratios (times)</b>	<b>7.24</b>	<b>6.62</b>
<b>% change from previous year</b>	<b>9.37</b>	

#### Note

Working capital = Current assets - Current liabilities

Reason for change more than 25%: Not applicable

**Notes to the Consolidated Financial Statements**

(Rupees in Crores)

**I. Net profit ratio = Net profit after tax / Revenue from operations**

Particulars	As at 31-3-2022	As at 31-3-2021
Net profit after tax	34.32	13.85
Revenue from operations	2,418.40	2,038.37
<b>Ratios (percentage)</b>	<b>1.4%</b>	<b>0.7%</b>
<b>% change from previous year</b>	<b>100.00</b>	

Reason for change more than 25%: Reflects better operational performance

**J. Return on Capital employed = Earnings before interest and taxes (EBIT) / Capital employed**

Particulars	As at 31-3-2022	As at 31-3-2021
EBIT (refer note (i) below)	70.43	53.22
Capital employed (refer note (ii) below)	675.06	662.44
<b>Ratios (percentage)</b>	<b>10.4%</b>	<b>8.0%</b>
<b>% change from previous year</b>	<b>30.00</b>	

**Note**

(i) EBIT = Profit before taxes + finance cost

(ii) Capital employed = Total equity + Net debt

Reason for change more than 25%: Reflects better operational performance

**K. Return on investment = Income generated from investments / average investments**

No investment was made by the Group. Hence this ratio is not applicable.

**63. Additional information, as required under Schedule III to the Companies Act, 2013**

Name of the entity	2021-22									
	Net Assets, i.e., total assets minus total liabilities		Share in profit / (loss)		Share in other comprehensive income		Share in total comprehensive income			
	As % of consolidated Net assets	Amount	As % of consolidated Profit / (loss)	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount		
<b>Parent:</b>										
Shankara Building Products Limited, Bengaluru	67.80%	376.96	79.39%	27.24	(200.00%)	0.06	79.62%	27.30		
<b>Subsidiaries- Indian :</b>										
Taurus Value Steel & Pipes Private Limited, Kutbullapur Mandal, Telangana	18.54%	103.10	6.38%	2.19	0.00%	(0.00)	6.39%	2.19		
Vishal Precision Steel Tubes and Strips Private Limited, Hoskote, Karnataka	12.78%	71.03	7.54%	2.59	133.33%	(0.04)	7.44%	2.55		
Centurywells Roofing India Private Limited, Kancheepuram	5.22%	29.00	6.28%	2.16	33.34%	(0.01)	6.27%	2.15		
<b>Subsidiary- Foreign:</b>										
Steel Networks (Holdings) Pte Limited, Singapore	0.01%	0.06	(0.20%)	(0.07)	200.00%	(0.06)	(0.38%)	(0.13)		
<b>Inter-company elimination &amp; consolidation adjustments</b>	(4.35%)	(24.19)	0.61%	0.21	(66.67%)	0.02	0.66%	0.23		
<b>Total</b>	<b>100.00%</b>	<b>555.96</b>	<b>100.00%</b>	<b>34.32</b>	<b>100.00%</b>	<b>(0.03)</b>	<b>100.00%</b>	<b>34.29</b>		





## Additional information, as required under Schedule III to the Companies Act, 2013 - Continued

Name of the entity	2020-21							
	Net Assets, i.e., total assets minus total liabilities		Share in profit / (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated Net assets	Amount	As % of consolidated Profit / (loss)	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
<b>Parent:</b>								
Shankara Building Products Limited, Bengaluru	67.03%	349.66	72.05%	9.98	108.82%	0.37	72.94%	10.35
<b>Subsidiaries - Indian :</b>								
Taurus Value Steel & Pipes Private Limited, Kutbullapur Mandal, Telangana	19.34%	100.91	5.34%	0.74	(11.76%)	(0.04)	4.93%	0.70
Vishal Precision Steel Tubes and Strips Private Limited, Hoskote, Karnataka	13.13%	68.48	14.73%	2.04	20.58%	0.07	14.87%	2.11
Centurywells Roofing India Private Limited, Kancheepuram	5.15%	26.85	13.43%	1.86	(14.70%)	(0.05)	12.76%	1.81
<b>Subsidiary- Foreign:</b>								
Steel Networks (Holdings) Pte Limited, Singapore	0.02%	0.13	(4.55%)	(0.63)	(52.94%)	(0.18)	(5.71%)	(0.81)
		-		-		-		-
		-		-		-		-
		-		-		-		-
<b>Inter-company elimination &amp; consolidation adjustments</b>	(4.67%)	(24.36)	(1.00%)	(0.14)	50.00%	0.17	0.21%	0.03
<b>Total</b>	<b>100.00%</b>	<b>521.67</b>	<b>100.00%</b>	<b>13.85</b>	<b>100.00%</b>	<b>0.34</b>	<b>100.00%</b>	<b>14.19</b>



## Notes to the Consolidated Financial Statements

(Rupees in Crores)

### 64. NOTE ON IMPACT OF COVID-19

The Group has been periodically reviewing the impact of Covid-19 on the Business operations of the Group. The situation created by Covid-19 in the last two years has somewhat abated. However the Management continues to monitor the situation and is prepared to take any action that could arise due to any future waves of Covid in the best interest of all stakeholders of the Group.

As per our report attached of even date  
For SUNDARAM & SRINIVASAN  
Chartered Accountants  
ICAI Firm Reg.No: 004207S

#### For and on behalf of the Board of Directors

VENKATASUBRAMANIAN.S  
Partner  
Membership No: 219238

Sukumar Srinivas  
Managing Director  
DIN: 01668064

C. Ravikumar  
Whole-time Director  
DIN: 01247347

Alex Varghese  
Chief Financial Officer

Ereena Vikram  
Company Secretary  
ACS Membership No: 33459

Place: Bengaluru  
Date: 16th May 2022

Place: Bengaluru  
Date: 16th May 2022







**STANDALONE AUDIT REPORT  
AND FINANCIALS | 2021 - 2022**





**To the Members of Shankara  
Building Products Limited,  
Bengaluru - 560001.**

### **Report on the Audit of the Standalone Financial Statements**

#### **Opinion**

We have audited the Standalone Ind AS financial statements of Shankara Building Products Limited, Bengaluru ("the Company"), which comprise the standalone balance sheet as at March 31, 2022, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the Standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the

state of affairs of the Company, as at March 31, 2022, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS financial statements of the current year. These matters were addressed in the context of our audit of the Standalone Ind AS financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Key audit matter	How the matter was addressed in our audit
<p><b>INVENTORY EXISTENCE AND VALUATION</b></p> <p>Inventory is held in various locations by the Company. There are complexities and manual process involved in determining inventory quantities on hand and valuation of the same due to the diverse &amp; numerous inventory products, multiple storage locations and price fluctuations of products. Hence, inventory quantities and valuation is identified as a key audit Matter.</p>	<p><b>We have performed the following procedures:</b></p> <ul style="list-style-type: none"> <li>• We have attended inventory counts at certain locations, which we selected based on financial significance and risk, observed management's inventory count procedures to assess the effectiveness, selected a sample of inventory products and compared the quantities counted to the quantities recorded and ensured inventory adjustments, if any, are recorded in the books of accounts.</li> <li>• Comparative analysis of inventory as at the end of the year with the inventory at the beginning of the year.</li> <li>• we assessed whether the management's controls relating to inventory's valuation are appropriately designed and implemented.</li> </ul> <p>Verification of the correctness of valuation made by the management on a sample basis, with regard to the cost and net realizable value of inventory.</p>

*As a result of the above audit procedures no material differences were noted. We confirm the adequacy of disclosures made in the Financial Statements.*

### Information Other than the Standalone Ind AS financial statements and Auditor's Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the Standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Responsibilities of the Management and Those Charged with Governance for the Standalone Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Act with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that



give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind AS financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Ind AS financial statements**

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Ind AS financial statements, including the disclosures, and whether the Standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2010 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The standalone Balance Sheet, the standalone Statement of Profit and Loss (including other comprehensive income), the standalone Statement of Changes in Equity and the standalone Cash Flows statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Ind AS specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022

from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, the remuneration paid / provided during the year to directors is in accordance with the provisions of section 197 read with Schedule V to the Act.

With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations as at March 31, 2022 on its financial position in its Standalone Ind AS financial statements - refer note 39 to the Standalone Ind AS financial statements;

(ii) the Company did not have any long-term contract including derivative contracts for which there were any material foreseeable losses;

(iii) There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company;

(iv) a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to accounts (refer note no 55), no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;



## INDEPENDENT AUDITOR'S REPORT

b) The Management has represented, that, to the best of its knowledge and belief, other than as disclosed in the note no 56 to financial statements, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations made by the management under sub-clause (a) and (b) above, contain any material misstatement.

(v) The Board has not declared interim dividend during the year. However, the Board at its meeting held today has recommended a final dividend of ₹1/- per equity share (face value of ₹10/- each) subject to the approval of the shareholders in the ensuing Annual General Meeting. This is in accordance with the provisions of the section 123 of the Act.

Place: Bengaluru  
Date : 16th May 2022

**For Sundaram & Srinivasan  
Chartered Accountants  
Firm Registration No. 004207S**

**Venkatasubramanian.S  
Partner  
Membership No. 219238  
UDIN: 22219238AJAKCH8414**





**Annexure 1 referred to in our report under  
“Report on Other Legal and Regulatory  
requirements Para 1” of even date on the  
accounts for the year ended March 31, 2022**

(i) (a) (A) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The company has maintained proper records showing full particulars of intangible assets.

(b) Property, Plant and Equipment are verified physically by the management in accordance with a regular programme at reasonable intervals. In our opinion the interval is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) Based on our verification of the registered sale deed provided to us, we report that, the title deeds of all immovable properties of the Company (included under Property, Plant and Equipment and Investment Property) are held in the name of the company as at the balance sheet date. In respect of title deeds hypothecated with a Bank, which were not verified by us, we relied on the confirmation received from the bank in respect of the said title deeds.

(d) The company has not revalued its Property, Plant and Equipment (including Right-of-Use asset) or intangible assets or both during the year.

(e) No proceedings have been initiated during the year or are pending against the company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) The inventory has been physically verified at reasonable intervals during the year by the management. In our opinion, the procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business. The discrepancies between the physical stocks and the book stocks were not material (less than 10% in the aggregate for each class of inventory) and have been properly dealt with in the books of accounts.

(b) The company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from Banks on the basis of security of

current assets. The quarterly Returns filed by the Company with such Banks are in agreement with books of account of the Company.

(iii) (a) During the year, the company has neither granted loan nor has provided advance or security to any entity. The company has renewed guarantee furnished to the lender Banks of the wholly owned Indian subsidiaries to avail working capital facilities.

(A) Aggregate amount of guarantee furnished during the year is ₹90.75 crore (previous year-₹137.50 Crore) and the balance as at the balance sheet date is ₹90.75 crore (previous year – ₹137.50 crore)

(B) The Company has not granted loan or has provided advance or security or furnished guarantee to any party other than its wholly owned Indian Subsidiaries.

(b) The guarantees furnished are not prejudicial to the company's interest.

(c) As the company has not granted any loan and advance, reporting under clause 3(iii) (d), (e) and (f) of the Order are not applicable.

(iv) According to the information and explanations given to us, the company has complied with provisions of section 185 and 186 of the Act with respect to loans, investments, guarantees and security, as applicable.

(v) The company has not accepted any deposit as mentioned in the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 of the Act or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the paragraph of clause 3(v) of the Order is not applicable.

(vi) The Central Government has not prescribed the maintenance of cost records for any of the products of the company under sub-section (1) of section 148 of the Act.

(vii) (a) According to the records provided to us, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax (including Tax Deducted at Source), Duty of Customs, Goods and Service Tax, Cess and other statutory dues with the appropriate authorities wherever applicable. We have observed delays in remittances of profession tax in first quarter in five States.



According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Duty of Customs, Goods and Service Tax and Cess were in arrears, as at March 31, 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, the dues outstanding with respect to income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and goods and service tax on account of any dispute, are as follows:

Name of the statute: The Maharashtra Value Added Tax Act, 2002			
Financial year	Nature of dues	Amount (₹In crore)	Forum where the dispute is Pending
2010-2011	Value added tax*	0.40	Joint Commissioner of Sales Tax, Appeal (IV), Bandra (E)
2012-2013	Value added tax**	0.76	Maharashtra Sales Tax Tribunal, Mumbai.

\*out of it, ₹0.05 crore has been remitted by the company under protest

\*\* out of it, ₹0.19 crore has been remitted by the company under protest

Name of the statute: The Central Sales Tax, 1956			
Financial year	Nature of dues	Amount (₹In crore)	Forum where the dispute is Pending
2012-2013	Central sales tax*	0.07	Maharashtra Sales Tax Tribunal, Mumbai.

\* out of it, ₹0.04 crore has been remitted by the company under protest

(viii) According to the information and explanations furnished to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) (a) The company has neither defaulted in repayment of loans nor in payment of interest thereon to any lender.

(b) The company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The terms loans availed by the company were utilized for the purpose for which it were obtained.

(d) The funds raised on short term basis have not been utilized for long term purposes.

(e) The company has not availed any funds from any entity or person on account of or to meet the

obligations of its wholly owned subsidiaries.

The company does not have a joint venture or an associate.

(f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries. The company does not have a joint venture or an associate.

(x) (a) The Company has not raised money by way of public issue offer or further public offer (including debt instruments) and hence the question of utilization of money raised by way of initial public offer does not arise.

(b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under this clause does not arise.

(xi) (a) Based on the audit procedures adopted and information and explanations furnished to us



by the management, no fraud on or by the company has been noticed or reported during the year.

(b) In view of what is stated in point no. xi (a) above, no report under sub-section 12 of section 143 of Companies Act, 2013 has been filed in Form ADT-4 during the year.

(c) According to information furnished to us, the company has not received any whistle-blower complaints during the year.

(xii) The Company is not a Nidhi Company. Therefore, paragraph 3(xii) of the Order is not applicable to the Company

(xiii) According to the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of Act, where applicable and the details have been disclosed in the Standalone Ind AS Financial Statements etc., as required by the applicable accounting standards.

(xiv) (a) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.

(b) The internal audit reports of the Company issued till the date of this audit report, for the year under audit have been considered by us.

(xv) According to the information and explanations furnished to us, the company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Act.

(xx) (a) The company has spent the amount prescribed under section 135 of the Act before the year end. Hence the question of unspent CSR amount does not arise.

(b) The company did not spend any CSR amount in any ongoing project. Hence reporting under this clause does not arise.

(xxi) Based on the Companies (Auditor's Report) Order (CARO) report, issued by the auditors of the subsidiaries included in the consolidated financial statements, we report that there are no qualifications or adverse remarks in those audit reports.

(xvi) (a) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934). Hence, the provisions of clause 3 [xvi(a), (b) & (c)] are not applicable to the company.

(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

(xvii) The company has not incurred cash loss in the financial year as well as in the immediately preceding financial year.

(xviii) During the year, there has been no resignation of statutory auditors. Accordingly, reporting under this clause 3 (xviii) is not applicable.

(xix) According to the information and explanation given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

**For Sundaram & Srinivasan  
Chartered Accountants  
Firm Registration. No. 004207S**

**Venkatasubramanian.S  
Partner  
Membership Number : 219238  
UDIN: 22219238AJAKCH8414**

**Place: Bengaluru  
Date : 16th May 2022**



### **Annexure - 2 Independent Auditors' Report to The Members on The Standalone Financial Statements of Shankara Building Products Limited, Bengaluru for The Year Ended March 31, 2022**

#### **Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to standalone financial statements of Shankara Building Products Limited, Bengaluru ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the period ended on that date.

#### **Management's Responsibility for Internal Financial Controls with reference to Financial Statements**

The Company's management is responsible for establishing and maintaining internal financial controls with reference to financial statements based on the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls with reference to financial statements that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent

applicable to an audit of internal financial controls with reference to financial statements, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

#### **Meaning of Internal Financial Controls with reference to financial statements**

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that;

- i. pertain to the maintenance of records, that in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- ii. provide reasonable assurance that



transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

iii. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls with reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Place: Bengaluru  
Date : 16th May 2022**

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on;

i. existing policies and procedures adopted by the Company for ensuring orderly and efficient conduct of business.

ii. continuous adherence to Company's policies.

iii. existing procedures in relation to safeguarding of Company's fixed assets, investments, inventories, receivables, loans and advances made and cash and bank balances.

iv. existing system to prevent and detect fraud and errors.

v. accuracy and completeness of Company's accounting records; and

vi. existing capacity to prepare timely and reliable financial information

**For Sundaram & Srinivasan  
Chartered Accountants  
Firm Registration. No. 004207S**

**Venkatasubramanian.S  
Partner  
Membership Number : 219238  
UDIN: 22219238AJAKCH8414**



SEPARATE (i.e. STANDALONE) BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2022

(Rupees in Crores)

Particulars	Note No	As at 31-03-2022	As at 31-03-2021
<b>I ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant and Equipment	4	149.33	139.37
(b) Capital work-in-progress	4(a)	1.56	2.19
(c) Investment Property	5	11.24	10.31
(d) Right-of-use Asset	6, 41(b)	7.12	11.76
(e) Other Intangible assets	7	-	-
(f) Financial Assets			
(i) Investments	8	38.85	38.99
(ii) Trade receivables	9	3.08	3.71
(iii) Loans	10	0.06	0.06
(iv) Other financial assets	11	7.08	6.95
(g) Other non-current assets	12	1.64	1.37
<b>Total Non-current assets</b>		<b>219.96</b>	<b>214.71</b>
<b>(2) Current assets</b>			
(a) Inventories	13	283.38	245.92
(b) Financial Assets			
(i) Trade receivables	14	335.25	280.20
(ii) Cash and cash equivalents	15	1.25	1.77
(iii) Bank balances other than (ii) above	16	0.84	0.80
(iv) Loans	17	-	-
(v) Other financial assets	18	0.69	0.91
(c) Other current assets	19	9.59	7.12
<b>Total current assets</b>		<b>631.00</b>	<b>536.72</b>
<b>Total Assets</b>		<b>850.96</b>	<b>751.43</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	20	22.85	22.85
(b) Other Equity	21	354.11	326.81
<b>Total Equity</b>		<b>376.96</b>	<b>349.66</b>
<b>Liabilities</b>			
<b>(1) Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	22	71.78	73.75
(ia) Lease Liabilities	23	8.31	13.65
(ii) Other financial liabilities	24	0.11	0.07
(b) Provisions	25	0.44	0.38
(c) Deferred tax liabilities (Net)	26( c)	1.30	0.34
<b>Total Non-current liabilities</b>		<b>81.94</b>	<b>88.19</b>
<b>(2) Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	27	68.05	105.03
(ia) Lease Liabilities	28	0.84	0.87
(ii) Trade payables:-	29		
(A) total outstanding dues of micro enterprises and small enterprises ; and		67.14	0.15
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		234.02	188.11
(iii) Other financial liabilities	30	7.37	6.12
(b) Other current liabilities	31	11.21	10.41
(c) Provisions	32	0.66	0.21
(d) Current Tax Liabilities(Net)	26(b)	2.77	2.68
<b>Total current liabilities</b>		<b>392.06</b>	<b>313.58</b>
<b>Total Equity and Liabilities</b>		<b>850.96</b>	<b>751.43</b>

Significant accounting policies

1 to 3

See accompanying notes to the standalone financial statements

For and on behalf of the Board of Directors

As per our report attached of even date  
For SUNDARAM & SRINIVASAN  
Chartered Accountants  
ICAI Firm Reg.No: 004207S

Sukumar Srinivas  
Managing Director  
DIN: 01668064

C.Ravikumar  
Whole-time Director  
DIN: 01247347

VENKATASUBRAMANIAN.S  
Partner  
Membership No: 219238  
Place : Bengaluru  
Date : 16th May 2022

Alex Varghese  
Chief Financial Officer

Ereena Vikram  
Company Secretary  
ACS Membership No: 33459

Place : Bengaluru  
Date : 16th May 2022





**SEPARATE (i.e STANDALONE) STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2022**

(Rupees in Crores)

Particulars	Note No.	For the Year ended 31-03-2022	For the Year ended 31-03-2021
<b>I Revenue From Operations</b>	33	2,328.75	1,957.24
<b>II Other Income</b>	34	2.40	5.65
<b>III Total Income (I+II)</b>		<b>2,331.15</b>	<b>1,962.89</b>
<b>IV Expenses</b>			
Cost of materials consumed	34(a)	-	1.96
Purchases of Stock-in-Trade		2,239.63	1,778.79
Changes in inventories of Finished goods and Stock-in-Trade	34(b)	(41.84)	67.72
Employee benefits expense	35	31.09	27.07
Finance costs	36	21.11	21.75
Depreciation and amortization expense	36(a)	10.72	17.38
Other expenses	37	34.15	34.75
<b>Total expenses (IV)</b>		<b>2,294.86</b>	<b>1,949.42</b>
<b>V Profit before exceptional items and tax-(III-IV)</b>		36.29	13.47
<b>VI Exceptional items</b>	50	-	0.50
<b>VII Profit before tax (V+VI)</b>		36.29	13.97
<b>VIII Tax expense:</b>	26(a)		
(1) Current tax		8.11	4.62
(2) Tax relating to earlier years		-	(0.54)
(3) Deferred tax		0.94	(0.09)
		<b>9.05</b>	<b>3.99</b>
<b>IX Profit for the year (VII-VIII)</b>		<b>27.24</b>	<b>9.98</b>
<b>X Other Comprehensive Income</b>			
<b>A Items that will not be reclassified to profit or loss</b>			
(i) Re-measurements of the defined benefit plans	45(b)	0.08	0.49
(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.02)	(0.12)
<b>Total A</b>		<b>0.06</b>	<b>0.37</b>
<b>B Items that will be reclassified to profit or loss</b>			
(i) Effective portion of cash flow hedges		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Total B</b>		<b>-</b>	<b>-</b>
<b>Total Other Comprehensive Income/(loss) (A+B)</b>		<b>0.06</b>	<b>0.37</b>
<b>XI Total Comprehensive Income for the year (IX+X)</b>		<b>27.30</b>	<b>10.35</b>
<b>XII Earning per equity share: [Face value ₹10 per share]</b>	38		
(1) Basic (in ₹)		11.92	4.37
(2) Diluted (in ₹)		11.92	4.37

Significant accounting policies

1 to 3

See accompanying notes to the standalone financial statements

As per our report attached of even date  
For **SUNDARAM & SRINIVASAN**  
Chartered Accountants  
ICAI Firm Reg.No: 004207S

**VENKATASUBRAMANIAN.S**  
Partner  
Membership No: 219238

Place : Bengaluru  
Date : 16th May 2022

For and on behalf of the Board of Directors

**Sukumar Srinivas**  
Managing Director  
DIN: 01668064

**Alex Varghese**  
Chief Financial Officer

**C.Ravikumar**  
Whole-time Director  
DIN: 01247347

**Ereena Vikram**  
Company Secretary  
ACS Membership No: 33459

Place : Bengaluru  
Date : 16th May 2022



STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022

(Rupees in Crores)

Particulars	Note No	For the Year ended 31-03-2022	For the Year ended 31-03-2021
<b>Cash flow from operating activities</b>			
Profit before tax		36.29	13.97
<b>Adjustments to reconcile profit before tax to net cash flow:</b>			
Depreciation and amortization expense	36(a)	10.72	17.38
Depreciation withdrawn on reclassification		0.17	
Loss on disposal of property, plant & equipment	37	0.06	0.26
Gain on disposal of property, plant & equipment	34	(0.82)	(0.05)
Gain on termination of lease	34	(0.10)	(1.63)
Unwinding of interest income on rental deposits	34	(0.39)	(0.79)
Interest income	34	(0.10)	(0.08)
Unrealised exchange (gain) / loss	34	-	(1.89)
Fair value loss on derivatives not designated as hedges	37	-	3.03
Realised exchange Loss (CY-Nil & LY -₹23,716/-)	37	-	0.00
Interest expense on Borrowings	36	20.20	19.53
Fair valuation of financial guarantee (Expenses)	37	0.06	0.10
Fair valuation of financial guarantee (Income)	34	(0.06)	(0.10)
Interest on Lease liability	36	0.91	2.22
Bad Debts written off	37	4.69	0.03
Exceptional items	50	-	(0.50)
Payables written back	34	(0.07)	(0.31)
Provision for doubtful debts no longer required written back	34	(0.30)	
Provision for diminution in the value of Investments	37	0.20	
Provision for expenses no longer required written back	34	-	(0.15)
Provision for doubtful advances written back	34	-	(0.12)
Loss Allowance for doubtful trade receivables	37	-	2.61
<b>Operating profit before working capital changes</b>		<b>71.46</b>	<b>53.51</b>
Adjustments for :			
(Increase) / Decrease in inventories	13	(37.46)	63.70
(Increase) / Decrease in trade receivable		(59.41)	121.73
Decrease/ (Increase) in loans and other financial assets		0.45	1.55
Decrease/ (Increase) in other current assets		(2.48)	2.77
Decrease/ (Increase) in other non-current assets (CY-₹10,000/-)		(0.00)	(0.05)
(Decrease)/ Increase in trade payables		112.90	(231.76)
(Decrease)/ Increase in other financial liabilities		1.48	(1.92)
(Decrease)/ Increase in other current liabilities (excluding the current maturity of non-current borrowings)		0.80	4.92
(Decrease)/Increase in provisions		0.10	(1.26)
<b>Cash flow from/(used in) operations</b>		<b>87.84</b>	<b>13.19</b>
Income taxes paid		(7.59)	(2.60)
<b>Net cash flows from/(used in) operating activities (A)</b>		<b>80.25</b>	<b>10.59</b>
<b>Cash flow from investing activities</b>			
Consideration paid for purchase of property, plant & equipment (Including capital work-in-progress and capital advances)		(17.20)	(8.95)
Purchase of software	7	(0.24)	-
Receipt of advances from a subsidiary (CY-₹14,941/-)		0.00	0.16
Proceeds from capital reduction in subsidiary		-	9.99
Proceeds from sale of property, plant & equipment	4,37,34	1.16	0.72
(Purchase)/proceeds from maturity of bank deposits		(0.04)	0.42
Interest receipt		0.13	0.04
<b>Net cash flows from/(used in) investing activities (B)</b>		<b>(16.19)</b>	<b>2.38</b>

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 CONTD.**

(Rupees in Crores)

Particulars	Note No	For the Year ended 31-03-2022	For the Year ended 31-03-2021
<b>Cash flow from financing activities</b>			
Principal element of lease payments	36	(4.35)	(7.06)
Interest on Lease liability		(0.91)	(2.22)
Proceeds from term loans*		6.55	73.77
Repayment of term loans		(1.36)	(1.64)
Repayment of term loan to a subsidiary		(0.02)	-
Current Borrowings availed/ (repaid)		(44.12)	(56.94)
Interest paid		(20.37)	(19.44)
Unclaimed dividend - Transfer in/(out)		-	0.01
<b>Net cash flows from/(used in) financing activities (C)</b>		<b>(64.58)</b>	<b>(13.52)</b>
<b>Net increase/(decrease) in cash and cash equivalents(A+B+C)</b>		<b>(0.52)</b>	<b>(0.55)</b>
<b>Cash and cash equivalents - at the beginning of the period</b>		<b>1.77</b>	<b>2.32</b>
<b>Cash and cash equivalents - at the end of the period</b>		<b>1.25</b>	<b>1.77</b>
<b>Non cash financing and investing activities</b>			
- Acquisition of Right-of-use assets	6	<b>0.49</b>	<b>0.14</b>
Note: Cash and Cash equivalents in the Cash Flow Statement comprise of the following :-			
<b>i) Cash on Hand</b>	15	1.12	0.46
<b>ii) Balance with Banks :</b>			
- In Current Account		0.13	1.31
		<b>1.25</b>	<b>1.77</b>

**Significant accounting policies**

1 to 3

See accompanying notes to the standalone financial statements

\* Includes loan availed from a subsidiary-₹40 crores for the year ended 31-3-2021.

The above Cash Flow Statement has been prepared under the Indirect method as set out in Ind AS -7.

As per our report attached of even date

**For and on behalf of the Board of Directors****For SUNDARAM & SRINIVASAN**Chartered Accountants  
ICAI Firm Reg.No: 004207S**VENKATASUBRAMANIAN.S**Partner  
Membership No: 219238**Sukumar Srinivas**  
Managing Director  
DIN: 01668064**Alex Varghese**  
Chief Financial Officer**C.Ravikumar**  
Whole-time Director  
DIN: 01247347**Ereena Vikram**  
Company Secretary  
ACS Membership No: 33459Place : Bengaluru  
Date : 16th May2022Place : Bengaluru  
Date : 16th May2022



SEPARATE (i.e STANDALONE) STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022

(Rupees in Crores)

A. Equity Share Capital

(1) Year ended 31st March 2022 (refer note no 20)

Balance at the beginning i.e. 01 <sup>st</sup> April 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end i.e. 31 <sup>st</sup> March 2022
22.85	-	22.85	-	22.85

(2) Year ended 31st March 2021 (refer note no 20)

Balance at the beginning i.e. 01 <sup>st</sup> April 2020	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	Balance at the end i.e. 31 <sup>st</sup> March 2021
22.85	-	22.85	-	22.85

B. Other Equity (refer note no 21)

(1) Year ended 31st March 2022

Particulars	Note No	Reserve and Surplus					Total	
		Capital Reserve	Securities Premium	General Reserve	Retained Earnings			Other Items of other comprehensive income
					Surplus in Statement of Profit and Loss	Defined benefit plan		
Balance at the beginning i.e. 01 <sup>st</sup> April 2021		0.19	111.28	1.24	214.27	(0.17)	0.00	326.81
Profit for the year	-	-	-	-	27.24	-	-	27.24
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	0.06	0.06
Transfer to retained earnings	-	-	-	-	-	0.06	(0.06)	-
<b>Balance at the end i.e. 31<sup>st</sup> March 2022</b>		<b>0.19</b>	<b>111.28</b>	<b>1.24</b>	<b>241.50</b>	<b>(0.11)</b>	<b>0.00</b>	<b>354.11</b>

Other Equity Contd.

(2) Year ended 31st March 2021

(Rupees in Crores)

Particulars	Note No	Reserve and Surplus					Total	
		Capital Reserve	Securities Premium	General Reserve	Retained Earnings			Other Items of other comprehensive income
					Surplus in Statement of Profit and Loss	Defined benefit plan		
Balance at the beginning i.e. 01st April 2020		0.19	111.28	1.24	204.29	(0.54)	-	316.46
Profit for the year	-	-	-	-	9.98	-	-	9.98
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	0.37	0.37
Transfer to retained earnings	-	-	-	-	-	0.37	(0.37)	-
Balance at the end i.e. 31st March 2021		0.19	111.28	1.24	214.27	(0.17)	0.00	326.81
Significant accounting policies	1 to 3							
See accompanying notes to the standalone financial statements								

As per our report attached of even date

For SUNDARAM & SRINIVASAN

Chartered Accountants

ICAI Firm Reg.No: 004207S

VENKATASUBRAMANIAN.S

Partner

Membership No: 219238

Place : Bengaluru

Date : 16th, May 2022

For and on behalf of the Board of Directors

Sukumar Srinivas

Managing Director

DIN: 01668064

C.Ravikumar

Whole-time Director

DIN: 01247347

Alex Varghese

Chief Financial Officer

Ereena Vikram

Company Secretary

ACS Membership No: 33459

Place : Bengaluru

Date : 16th, May 2022





### STANDALONE ACCOUNTING POLICIES

#### 1. GENERAL INFORMATION

Shankara Building Products Limited ("SBPL" or "the company") is a public listed company incorporated and domiciled in India. The registered office is situated at G2, Farah Winsford, 133, Infantry Road, Bengaluru – 560001.

The company's shares are listed on the Bombay Stock Exchange 'BSE' and National Stock Exchange 'NSE'.

Shankara Building Products Limited is one of the India's leading organized retailers of home improvement and building products in India. It caters to a large customer base spread across various end-user segments in urban and semi-urban markets through a retail led, multi-channel sales approach complemented by processing facilities, supply chain and logistics facilities. It deals with a number of product categories including structural steel, cement, TMT bars, hollow blocks, pipes and tubes, roofing solutions, welding accessories, primers, solar heaters, plumbing materials, tiles, sanitary ware, water tanks, plywood, kitchen sinks, lighting and other allied products. The Company has operations spread across ten states and one union territory in India.

#### 2. SIGNIFICANT ACCOUNTING POLICIES

##### 2.1 Statement of compliance

These Standalone financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

The Standalone financial statements for the year ended March 31, 2022 (including comparatives) are duly adopted by the Board of Directors in the meeting held on May 16, 2022 for consideration of approval by the shareholders.

##### 2.2 Functional and presentation currency

These standalone financial statements have been prepared and presented in Indian Rupees and all amounts have been presented in Crores with two decimals, except share data and as otherwise stated.

##### 2.3 Basis of preparation and presentation

These financial statements have been prepared and presented under accrual basis of accounting and as a going concern on historical cost convention or fair values as per the requirements of Ind AS prescribed under section 133 of the Act and relevant provisions thereon.

Disclosures under Ind AS are made only in respect of material items and in respect of the items that will be useful to the users of financial statements in making economic decisions.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

##### Current and Non-Current Classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle or 12 months or other criteria as set out in the Schedule III to the Companies Act, 2013. Based on the nature of its business, the company has ascertained its operating cycle to be 12 months for the purpose of current and non-current classification of assets and liabilities.

##### 2.4 Revenue recognition

###### 2.4.1 Sale of products

Revenue is recognized on fulfilment of performance obligation. In other words, revenue is recognized when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer.





Revenue is measured at the fair value of the consideration received and receivable. Revenue is recognized based on the consideration received and receivable net of discounts, rebates, returns, taxes and duties on sales when the products are delivered to a carrier for sale, which is when control of goods are transferred to the customer.

#### **2.4.2 Dividend and interest income**

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Interest income is recognised on time proportion basis.

#### **2.4.3 Rental income**

Rental income from operating leases (of company's investment properties) is recognised on straight-line basis over the term of the relevant lease, except where rentals are structured to increase in line with expected general inflation. Initial direct cost, if any, incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on straight-line basis over the lease term.

#### **2.4.4 Other Income**

Other income is recognised on accrual basis provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

### **2.5 Property, plant and equipment**

#### **Recognition and measurement**

The cost of property, plant and equipment comprises its purchase price, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant

borrowing costs for qualifying assets and any expected costs of decommissioning, net of any trade discounts and rebates.

#### **Subsequent expenditure**

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Property, plant and equipment are stated in the balance sheet at cost less accumulated depreciation / amortisation and impairment, if any.

#### **Disposal of property, plant and equipment**

An item of property, plant and equipment is derecognised upon disposal or on retirement, when no future economic benefits are expected to arise from the continued use of the asset.

Gains or losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the Statement of Profit and Loss within other gains / (losses).

#### **Depreciation**

Depreciation commences when the assets are ready for their intended use. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of Property, Plant & Equipment (other than capital work in progress) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Management has re-assessed the useful lives of the Property, plant and equipment and on the basis of technical evaluation, management is of the view that useful lives assessed by management, as above, are Indicative of the estimated economic useful lives of the Property, plant and equipment. In respect of additions to Property, plant and equipment, depreciation has been charged on pro rata basis. Individual assets costing less than ₹0.05 lakhs are depreciated fully during the year of purchase.



The Company reviews the residual value, useful lives and depreciation method annually and, if current estimates differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

### Capital work-in-progress

Capital work-in-progress includes cost of property, plant and equipment under installation/under development as at the balance sheet date. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date are classified as capital advances under other non-current assets.

### 2.6 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and but not for sale in the ordinary course of business and not used in the production or supply of goods or services or for administrative purposes, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable, the borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of investment property is replaced, the carrying amount of the replaced part is derecognized.

Investment properties (except freehold land) are depreciated using straight-line method over their estimated useful lives. Investment properties generally have a useful life of 60 years. The useful life has been determined based on technical evaluation by management.

### 2.7 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised in the income statement on a straight-line basis over their estimated useful lives of the intangible asset. Intangible assets that are not available for use are amortised from the date they are available for use.

The estimated useful lives are as follows:

Software - 3 years

Brand - 3 years

The amortisation period and amortisation method for intangible assets are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An item of intangible assets is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the Statement of Profit or Loss when the asset is derecognised.

### 2.8 Impairment of property, plant and equipment and intangible assets

At the end of each reporting period, the Board reviews the carrying amounts of its tangible and intangible assets to determine whether there is any Indication that those assets have suffered an impairment loss. If any such Indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an Individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to Individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with Indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever is an Indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than



its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Any reversal of the previously recognised impairment loss is limited to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

## 2.9 Business combinations

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103. The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Company. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition. Business combinations between entities under common control are accounted for at carrying value. Transaction costs that the Company incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

## 2.10 Leases

Effective April 01, 2019, the company has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 01, 2019 using the modified retrospective approach method. The company as a lessee has recognised the lease liability based on the remaining lease payments discounted using the incremental borrowing rate as of the date of initial application (being 01st April, 2019). The Right-of-Use (ROU) asset has been recognised at its carrying amount as if Ind AS 116 has been applied since the commencement date of the lease arrangement by using the incremental borrowing rate as at the transaction date (being 01st April, 2019). The company has not restated

the comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on 01st April, 2019.

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The company makes an assessment of the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the company's operations, taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term for future periods is reassessed to ensure that the lease term reflects the current economic circumstances. In respect of such long term contracts, Ind AS 116 is applied.

### Where the company is lessor

As per terms of lease agreements there is no substantial transfer of risk and reward of the property to the lessee. Accordingly such leased out assets are treated as belonging to the company. Rental income from operating leases is recognised on straight-line basis over the term of the relevant lease. Initial direct cost, if any, incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on straight-line basis over the lease term.

### Where the company is a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether: (1) the contract involves the use of an identified asset



(2) the company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the company has the right to direct the use of the asset.

At the date of commencement of the lease, the company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee. The company has however elected to use the exemptions provided by the standard on lease contracts for which the lease term ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value.

For these short-term and low value leases, the company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term or useful life of the underlying asset whichever shorter. Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an Individual asset basis unless the asset does not generate cash flows that are largely Independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### 2.11 Inventories

Inventories are stated at lower of cost and net

realizable value.

Cost comprises of purchase price, freight, other attributable cost, applicable taxes not eligible for credit, less rebates and discounts, which is determined on First-in, First-out ('FIFO') basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and selling expenses.

Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventories

All items of inventories which are considered to be damaged, unmarketable or unserviceable and have become otherwise obsolete are valued at the estimated net realizable value.

### Raw materials

Raw materials are valued at cost of purchase net of duties and taxes and include all expenses incurred in bringing such materials to the location of its use.

### Finished goods

Finished goods include conversion costs in addition to the landed cost of raw materials.

### Stock in Trade

Stock in trade cost includes the purchase price, freight, other attributable cost, applicable taxes not eligible for credit, less rebates and discounts.

### Stores, spares and tools

Stores, spares and tools cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

### 2.12 Employee benefits

In respect of defined contribution plan the company makes the stipulated contributions to provident fund, employees' state insurance and pension fund, in respect of employees to the respective authorities under which the liability of the company is limited to the extent of the contribution.

The liability for gratuity, considered as defined benefit, is determined actuarially using the projected unit credit method, with actuarial valuations being carried out at the end of each



annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement gains and losses recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement.

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expenses'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the statement of financial position represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the

related service.

The company recognizes a liability and an expense for bonus. The company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

## 2.13 Income taxes

Tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

### Current tax

Current tax is the amount of tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Indian Income Tax Act, 1961.

### Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each annual reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.





Deferred tax assets and deferred tax liabilities are netted against each other if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and deferred tax are recognised in the statement of profit and loss, except when they are related to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of reduction in future income tax liability, is considered as an asset if it is probable that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset when it is highly probable that future economic benefit associated with it will flow to the Company.

The Company has exercised option to pay income tax u/s. 115BAA of the Income Tax Act, 1961 from the financial year 2019-2020. Hence the provisions relating to MAT are not applicable to the Company.

### 2.14 Foreign currency translation

The functional currency of the company is determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is Indian National Rupee (INR).

The transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms

of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to Statement of Profit and Loss on repayment of the monetary items.

### 2.15 Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent Liabilities and Contingent Assets are not recognized but are disclosed in the notes.





## 2.16 Earnings per share

Basic earnings per share is computed by dividing the profit after tax / (loss) attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). Diluted earnings per share is computed by dividing the profit / (loss) after tax attributable to equity shareholders as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares including the treasury shares held by the company to satisfy the exercise of the share options by the employees.

## 2.17 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred under finance costs. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to interest costs.

## 2.18 Non-current assets held for sale / distribution to owners and discontinued operations

The Company classifies non-current assets and disposal groups as held for sale/ distribution to owners if their carrying amounts will be recovered principally through a sale / distribution rather than through continuing use. Actions required to complete the sale/ distribution should indicate that it is unlikely that significant changes to the sale/ distribution will be made or that the decision to sell/ distribute will be withdrawn. Management must be committed to the sale/distribution and it is

expected to be completed within one year from the date of classification.

The criteria for held for sale/ distribution classification is regarded as met only when the assets or disposal group is available for immediate sale/ distribution in its present condition, subject only to terms that are usual and customary for sales/ distribution of such assets (or disposal groups), its sale/ distribution is highly probable; and it will genuinely be sold, not abandoned. The group treats sale/ distribution of the asset or disposal group to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group);
- An active programme to locate a buyer and complete the plan has been initiated;
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value;
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification; and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.



Non-current assets held for sale/for distribution to owners and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell/ distribute. Assets and liabilities classified as held for sale/ distribution are presented separately in the balance sheet. Property, plant and equipment and intangible assets once classified as held for sale/ distribution to owners are not depreciated or amortised.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations,
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations
- Is a subsidiary acquired exclusively for resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

### 2.19 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss ('FVTPL')) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in Statement of Profit and Loss.

Trade receivables are initially recognised when they are originated.

Trade payables are in respect of the amount due

on account of goods purchased or services availed in the normal course of business. They are recognised at their transaction and services availed value if the transaction do not contain significant financing component.

#### a) Financial Assets

##### (i) Recognition and initial measurement

All financial assets are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through Statement of Profit or Loss ('FVTPL')) are added to the fair value of the financial assets, on initial recognition. Transaction cost directly attributable to the acquisition of financial assets at FVTPL are recognized immediately in Statement of Profit and Loss.

##### (ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI);
- Debt instruments and equity instruments at fair value through profit or loss (FVTPL);
- Equity instruments measured at fair value through other comprehensive income (FVTOCI).

#### Debt instruments at amortised cost:

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost



using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

#### **Debt instrument at FVTOCI:**

A 'debt instrument' is classified as FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

#### **Debt instrument at FVTPL:**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as amortized cost or as FVTOCI, is classified as FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as FVTPL. However, such election is chosen only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

#### **(iii) De-recognition of financial assets**

A financial asset is de-recognised only when;

- a. The entity has transferred the rights to receive cash flows from the financial asset or
- b. The entity retains the contractual rights to receive the cash flows of the financial asset, but expects a contractual obligation to pay the cash flows to one or more recipients.

Where entity has transferred an asset, the entity examines and assesses whether it has transferred substantially all risk and rewards of ownership of financial asset. In such cases, financial asset is de-recognised. Where entity has not transferred substantially all risks and rewards of ownership of financial asset, such financial asset is not de-recognised.

Where the entity has neither transferred a financial asset nor retains substantially all risk and rewards of ownership of the financial asset, the financial asset is de-recognised, if the entity has not retained control of the financial asset. Where the entity retains control of the financial asset is continued to be recognised to the extent of continuing involvement in the financial asset.

#### **(iv) Investment in subsidiaries:**

The company's investment in equity instruments of subsidiaries are accounted for at cost as per Ind AS 27, including adjustment for fair value of obligations, if any, in relation to such subsidiaries.

#### **b) Financial liabilities and equity instruments**

##### **(i) Initial recognition and measurement**

All financial liabilities are recognized initially at fair value plus transaction cost (if any) that is attributable to the acquisition of the financial liabilities which is also adjusted.

##### **(ii) Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:



### Loans and borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are de-recognised through the EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

### Trade and other payables:

These amounts represent liabilities for goods or services provided to the Company which are unpaid at the end of the reporting period. Trade and other payables are presented as current liabilities when the payment is due within a period of 12 months from the end of the reporting period. For all trade and other payables classified as current, the carrying amounts approximate fair value due to the short maturity of these instruments. Other payables falling due after 12 months from the end of the reporting period are presented as non-current liabilities and are measured at amortised cost unless designated at fair value through profit and loss at the inception.

The Company enters into deferred payment arrangements (acceptances) whereby lenders such as banks and other financial institutions make payments to supplier's banks for purchase of raw materials. The banks and financial institutions are subsequently repaid by the Company at a later date. These are normally settled up to 90 days. These arrangements for raw materials are recognized as Acceptances i.e. trade payables and are included in total outstanding due of creditors other than micro enterprises and small enterprises.

### Financial guarantee

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because, the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction

costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in statement of profit or loss are included within finance costs or finance income.

### Other financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through statement of profit or loss. Gains or losses on liabilities held for trading or designated as at FVTPL are recognized in the profit or loss.

(iii) Derecognition of financial liabilities:

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or Modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

c) Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

d) Impairment of Financial assets

The Board assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial



assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses, if the credit risk on the financial asset has increased significantly since initial recognition.

#### e) Fair value measurement

The Board measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability which are accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Valuation techniques that are appropriate in the circumstances are used and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or Indirectly

observable, or

- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

#### f) Derivative financial instruments

Derivative financial instruments are accounted for at FVTPL except for derivatives designated as hedging instruments in cash flow hedge relationships, which require a specific accounting treatment. To qualify for hedge accounting, the hedging relationship must meet several strict conditions with respect to documentation, probability of occurrence of the hedged transaction and hedge effectiveness. These arrangements have been entered into to mitigate currency exchange risk arising on account of repayment of foreign currency term loan and interest thereon. For the reporting periods under review, the company has not designated any forward currency contracts as hedging instruments.

## 2.20 Cash and cash equivalents and cash flow statement

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Cash flows are reported using the Indirect method, whereby profit/ (loss) before extraordinary items and tax is appropriately classified for the effects of transactions of non-cash nature and any deferrals or accruals of past or future receipts or payments. In cash flow statement, cash and cash equivalents include cash in hand, balances with banks in current accounts and other short- term highly liquid investments with original maturities of three months or less.





### 2.21 Dividend on ordinary shares

The entity recognises a liability to make cash or non-cash distributions to equity holders of the company when the distribution is authorised and the distribution is no longer at the discretion of the Company. The amount so authorised is recognised directly in equity.

### 2.22 Segment reporting

An operating segment is defined as a component of the entity that represents business activities from which it earns revenues and incurs expenses and for which discrete financial information is available. The operating segments are based on the entity's internal reporting structure and the manner in which operating results are reviewed by the Chief Operating Decision Maker (CODM).

### 2.23 Indian Accounting Standards / amendments issued but not yet effective –

The Ministry of Corporate Affairs ('MCA') notified amendments to existing standards Ind AS – 16, 37, 41, 101, 103 and 109 under Companies (Indian Accounting Standards) Rules, 2022 on March 22, 2022. These amendments are effective for the financial year beginning from April 01, 2022. The Company has evaluated these amendments and there are no impacts on its financial statements.

## 3. KEY SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL ACCOUNTING JUDGEMENTS

In the course of applying the policies outlined in all notes under section 2 above, the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future period.

### (i) Useful lives of property, plant and equipment

Management reviews the useful lives of property, plant and equipment once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly depreciable lives are reviewed annually using the best information available to the Management.

### (ii) Impairment of investments in subsidiaries

Determining whether the investments in subsidiaries are impaired, requires an estimate in the value in use of investments. In considering the value in use, the Board has anticipated the future commodity prices, capacity utilization of plants, operating margins, discount rates and other factors of the underlying businesses / operations of the investee companies. Any subsequent changes to the cash flows due to changes in the above mentioned factors could impact the carrying value of investments.

### (iii) Provisions and liabilities

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

### (iv) Business combinations and intangible assets

Business combinations are accounted for using Ind AS 103, Business Combinations, which requires the identifiable intangible assets and contingent consideration to be measured at fair value in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the business. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by Independent valuation experts.





#### **(v) Contingencies**

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized.

#### **(vi) Fair value measurements**

When the fair values of financial assets or financial liabilities recorded or disclosed in the financial statements cannot be measured based

on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility.





Notes to the Standalone Financial Statements

**4. PROPERTY, PLANT AND EQUIPMENT**

Particulars	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computers	Total
<b>Gross carrying amount as at 01-04-2020</b>	47.07	58.64	5.08	32.04	9.59	2.98	1.59	156.99
Additions	-	3.56	0.24	2.40	0.49	0.11	0.04	6.84
Disposals	-	0.25	0.25	0.19	1.33	0.00	-	2.02
Transferred to Investment property	-	-	-	-	-	-	-	-
<b>Gross carrying amount as at 31-03-2021</b>	47.07	61.95	5.07	34.25	8.75	3.09	1.63	161.81
Additions	5.59	8.40	0.33	2.16	0.21	0.74	0.13	17.56
Transfer in / Transfer (out)	-	-	-	-	1.52	0.29	0.56	2.37
Disposals	0.14	0.11	-	0.11	0.55	0.05	0.02	0.98
Transferred to Investment property	0.62	0.20	-	-	-	-	-	0.82
<b>Gross carrying amount as at 31-03-2022</b>	51.90	70.04	5.40	36.30	9.93	4.07	2.30	179.94
<b>Accumulated depreciation and impairment</b>								
<b>Balance as at 01-04-2020</b>	-	2.69	0.94	7.99	3.04	1.49	0.91	17.06
Depreciation for the year	-	0.96	0.34	3.23	1.14	0.46	0.35	6.48
Depreciation on disposals	-	0.01	0.01	0.07	1.00	0.01	-	1.10
Transferred to Investment property	-	-	-	-	-	-	-	-
<b>Balance as at 31-03-2021</b>	-	3.64	1.27	11.15	3.18	1.94	1.26	22.44

**Note**

- a. Certain immovable properties (viz land and buildings) have been hypothecated as security against the loans availed by the subsidiary companies (refer note no 44)
- b. Certain vehicles have been hypothecated as security against the long term borrowings availed by the company (refer note no 22 and 44)
- c. During the current year as well previous year the company has not revalued its Property, Plant and Equipment.
- d. The title deeds of the Immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the company.



## Notes to the Standalone Financial Statements

### 4 (a) CAPITAL WORK-IN-PROGRESS - BUILDINGS

(Rupees in Crores)

Particulars	Amount
<b>Gross carrying amount as at 01-04-2020</b>	<b>0.15</b>
Additions	6.20
Sub-total	6.35
Less: Capitalised during the year	4.16
<b>Gross carrying amount as at 31-03-2021</b>	<b>2.19</b>
Additions	8.72
Sub-total	10.91
Less: Capitalised during the year	9.35
<b>Gross carrying amount as at 31-03-2022</b>	<b>1.56</b>

### Capital Work-in-Progress (CWIP) ageing schedule as at 31-3-2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1.56	-	-	-	1.56
Projects temporarily suspended	-	-	-	-	-

Project Completion overdue or exceeded cost compared to original plan- None

### Capital Work-in-Progress (CWIP) ageing schedule as at 31-3-2021

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2.19	-	-	-	2.19
Projects temporarily suspended	-	-	-	-	-

Project Completion overdue or exceeded cost compared to original plan- None







## Notes to the Standalone Financial Statements

### 5. INVESTMENT PROPERTY

(Rupees in Crores)

Particulars	Freehold Land	Buildings	Total
<b>Gross carrying amount as at 01-04-2020</b>	<b>6.97</b>	<b>3.60</b>	<b>10.57</b>
Additions	-	-	-
Disposals	-	-	-
Transferred from property, plant and equipment	-	-	-
<b>Gross carrying amount as at 31-03-2021</b>	<b>6.97</b>	<b>3.60</b>	<b>10.57</b>
Additions	-	-	-
Transfer in / Transfer (out)*	1.35	(1.35)	-
Disposals	-	-	-
Transferred from property, plant and equipment	0.62	0.20	<b>0.82</b>
<b>Gross carrying amount as at 31-03-2022</b>	<b>8.94</b>	<b>2.45</b>	<b>11.39</b>
<b>Accumulated depreciation and impairment</b>			
<b>Balance as at 01-04-2020</b>	-	<b>0.20</b>	<b>0.20</b>
Depreciation for the year	-	0.06	0.06
Depreciation on disposals	-	-	-
Transferred from property, plant and equipment	-	-	-
<b>Balance as at 31-03-2021</b>	-	<b>0.26</b>	<b>0.26</b>
Depreciation for the year	-	0.04	0.04
Transfer in / Transfer (out)*	(0.06)	(0.11)	(0.17)
Depreciation on disposals	-	-	-
Transferred from property, plant and equipment	-	0.02	0.02
<b>Balance as at 31-03-2022</b>	<b>(0.06)</b>	<b>0.21</b>	<b>0.15</b>
<b>Net Carrying amount</b>			
<b>As at 31-03-2022</b>	<b>9.00</b>	<b>2.24</b>	<b>11.24</b>
<b>As at 31-03-2021</b>	<b>6.97</b>	<b>3.34</b>	<b>10.31</b>
Useful Life of the asset (In Years)	N/A	60 years	
Method of depreciation	N/A	As per Schedule II of the Companies Act, 2013	

### Income earned from and expenses incurred on Investment Property

Particulars	For the year ended	
	31-03-2022	31-03-2021
Rental income from investment properties	0.46	0.33
Less: Direct operating expenses (including repairs and maintenance)	0.03	0.01
Profit from investment properties before depreciation	0.43	0.32
Less: Depreciation	0.04	0.06
Profit from investment property	0.39	0.26



## Notes to the Standalone Financial Statements

(Rupees in Crores)

## Fair Value

Particulars	As at 31-03-2022	As at 31-03-2021
Investment properties	22.97	16.96

## Estimation of fair value

The best evidence of fair values is current prices in an active market for similar properties. Since investment properties are leased out by the Company, the market rate for sale/purchase of such premises are representative of fair values. Company's investment properties are at a location where active market is available for similar kind of properties. Hence fair value is ascertained on the basis of market rates prevailing for similar properties in those location determined by an Independent registered valuer and consequently classified as a level 2 valuation.

## 6. RIGHT-OF-USE ASSET:

Particulars	Gross Block				Accumulated depreciation				Net Block 31-03-2022
	Balance as at 01-04-2021	Additions	Deletions	Balance as at 31-03-2022	Balance as at 01-04-2021	Depreciation for the year	Depreciation on deletions	Balance as at 31-03-2022	
Right-of-use Asset - Buildings	26.67	0.49	7.85	19.31	14.91	4.21	6.93	12.19	7.12
<b>Total</b>	<b>26.67</b>	<b>0.49</b>	<b>7.85</b>	<b>19.31</b>	<b>14.91</b>	<b>4.21</b>	<b>6.93</b>	<b>12.19</b>	<b>7.12</b>

Particulars	Gross Block				Accumulated depreciation				Net Block 31-03-2021
	Balance as at 01-04-2020	Additions	Deletions	Balance as at 31-03-2021	Balance as at 01-04-2020	Depreciation for the year	Depreciation on deletions	Balance as at 31-03-2021	
Right-of-use Asset - Buildings	48.63	0.14	22.10	26.67	18.89	7.97	11.95	14.91	11.76
<b>Total</b>	<b>48.63</b>	<b>0.14</b>	<b>22.10</b>	<b>26.67</b>	<b>18.89</b>	<b>7.97</b>	<b>11.95</b>	<b>14.91</b>	<b>11.76</b>





## Notes to the Standalone Financial Statements

(Rupees in Crores)

### 7. INTANGIBLE ASSETS

Particulars	Brand	Software	Total
<b>Gross carrying amount as at 01-04-2020</b>	<b>10.78</b>	<b>0.45</b>	<b>11.23</b>
Additions	-	-	-
Disposals	-	-	-
<b>Gross carrying amount as at 31-03-2021</b>	<b>10.78</b>	<b>0.45</b>	<b>11.23</b>
Additions	-	0.24	<b>0.24</b>
Disposals	-	-	-
<b>Gross carrying amount as at 31-03-2022</b>	<b>10.78</b>	<b>0.69</b>	<b>11.47</b>
<b>Accumulated Amortization and impairment</b>			
<b>Balance as at 01-04-2020</b>	<b>8.00</b>	<b>0.36</b>	<b>8.36</b>
Amortization for the year	2.78	0.09	2.87
Amortization on disposals	-	-	-
<b>Balance as at 31-03-2021</b>	<b>10.78</b>	<b>0.45</b>	<b>11.23</b>
Amortization for the year*	-	0.24	0.24
Amortization on disposals	-	-	-
<b>Balance as at 31-03-2022</b>	<b>10.78</b>	<b>0.69</b>	<b>11.47</b>
<b>Net Carrying amount</b>			
As at 31-03-2022	-	-	-
As at 31-03-2021	-	-	-
Useful Life of the asset (In Years)	3 Years	3 Years	
Method of amortization	Straight Line Method		
Remaining amortization period (In Years)	-	-	

\*Represents write off on asset becoming obsolete.

#### Note

During the current year as well the previous year the company has not revalued any intangible assets.



Notes to the Standalone Financial Statements

**8. INVESTMENTS (Non-current)**

(Rupees in Crores)

Particulars	Face Value	As at 31-03-2022		As at 31-03-2021		
		No. of Shares /units	Amount	No. of Shares /units	Amount	Proportion of ownership
<b>Investment in Equity Instruments:</b>						
<b>Unquoted (At cost or deemed cost):</b>						
<b>Subsidiaries:</b>						
(a) Vishal Precision Steel Tubes and Strips Private Limited, Hoskote, Karnataka	₹100 each	3,50,000	13.25	3,50,000	13.25	100%
Deemed equity in Vishal Precision Steel Tubes and Strips Private Limited, Hoskote, Karnataka. (Refer note 1 below)			0.31		0.27	
(b) Taurus Value Steel & Pipes Private Limited, Kutbullapur Mandal, Telangana	₹10 each	15,10,100	15.01	15,10,100	15.01	100%
Deemed equity in Taurus Value Steel & Pipes Private Limited, Kutbullapur Mandal, Telangana. (Refer note 1 below)			0.02		0.03	
(c) Steel Network (Holdings) Pte Ltd, Singapore	USD 1 each	47,640	0.30	47,640	0.30	100%
Deemed equity in Steel Network (Holdings) Pte Ltd, Singapore. (Refer note 1 below)			-		-	
(d) Centurywells Roofing India Private Limited, Kancheepuram, Tamil Nadu	₹100 each	1,99,920	10.01	1,99,920	10.01	100%
Deemed equity in Centurywells Roofing India Private Limited, Kancheepuram, Tamil Nadu. (Refer note 1 below)			0.19		0.16	
<b>Sub-total</b>			<b>39.09</b>		<b>39.03</b>	
<b>Less:</b>						
Provision for diminution in value of investment in a subsidiary viz. Steel Network (Holdings) Pte Limited			0.24		0.04	
<b>Total</b>			<b>38.85</b>		<b>38.99</b>	

## Notes to the Standalone Financial Statements

(Rupees in Crores)

Particulars	As at 31-03-2022	As at 31-03-2021
Aggregate amount of unquoted investments	38.85	38.99
Aggregate amount of impairment in the value of investments	0.24	0.04

**Note:**

- 1) The amount shown as deemed equity investments as per Ind AS 109, is in respect of financial guarantee given without any consideration.



**9. TRADE RECEIVABLES (NON-CURRENT)**

Particulars	As at 31-03-2022	As at 31-03-2021
<b>Unsecured:</b>		
(a) Considered Good	-	-
(b) Credit Impaired	6.15	7.42
	6.15	7.42
Less: Allowance for doubtful debts (expected credit loss allowance)	(3.07)	(3.71)
<b>Total</b>	<b>3.08</b>	<b>3.71</b>
Debts due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member amount to (including "current" portion)	Nil	Nil

**Movement in loss allowance of trade receivables**

Particulars	As at 31-03-2022	As at 31-03-2021
Opening balance	3.71	3.74
Amount written off	-	-
Credit loss allowance	(0.64)	(0.03)
Closing balance	3.07	3.71

**Trade Receivables (Non Current) ageing schedule as at 31-03-2022**

Particulars	Not Due	Outstanding from due date of payment				Total
		Less than 6 months	6 months - 1year	1-2 years	2-3 years	
(i) Undisputed Trade receivables – considered good	-	-	-	-	-	-
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	0.04	0.18	0.69	0.08	2.09
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Total</b>	-	<b>0.04</b>	<b>0.18</b>	<b>0.69</b>	<b>0.08</b>	<b>2.09</b>

**Trade Receivables (Non Current) ageing schedule as at 31-03-2021**

Particulars	Not Due	Outstanding from due date of payment				Total
		Less than 6 months	6 months - 1year	1-2 years	2-3 years	
(i) Undisputed Trade receivables – considered good	-	-	-	-	-	-
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	0.10	-	1.51	2.10
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Total</b>	-	-	<b>0.10</b>	-	<b>1.51</b>	<b>2.10</b>



**10. LOANS (NON-CURRENT)**

Particulars	As at 31-03-2022	As at 31-03-2021
<b>Unsecured:</b>		
<b>Considered good:</b>		
(a) Employee advances	0.06	0.06
<b>Total</b>	<b>0.06</b>	<b>0.06</b>

**11. OTHER FINANCIAL ASSETS (NON-CURRENT)**

Particulars	As at 31-03-2022	As at 31-03-2021
<b>Unsecured:</b>		
<b>Considered good:</b>		
(a) Security Deposits	5.51	5.39
(b) Deposit with Suppliers	1.23	1.22
(c) Others		
Tender deposit	0.05	0.05
Utility deposit	0.29	0.29
<b>Total</b>	<b>7.08</b>	<b>6.95</b>

Disclosure of loans and advances granted to subsidiaries as per Regulation 34 (3) of the SEBI (Listing Obligation and Disclosure requirements) Regulations, 2015

Name of the company	As at 31-03-2022	As at 31-03-2021
a) Taurus Value Steel & Pipes Private Limited, Kutbullapur Mandal, Telangana		
- Amount outstanding (including current portion)	-	-
- Maximum amount outstanding during the year	-	-
- Investment by subsidiary in shares of the Company (No. of Shares)	Nil	Nil
b) Vishal Precision Steel Tubes and Strips Private Limited, Hoskote, Karnataka		
- Amount outstanding	-	-
- Maximum amount outstanding during the year	-	-
- Investment by subsidiary in shares of the Company (No. of Shares)	Nil	Nil
c) Steel Networks Holdings Pte Limited, Singapore		
- Amount outstanding (Previous Year-₹14,941/-)	-	0.00
- Maximum amount outstanding during the year (Current year ₹14,941/-)	0.00	0.16
- Investment by subsidiary in shares of the Company (No. of Shares)	Nil	Nil







## 12. OTHER NON-CURRENT ASSETS

Particulars	As at 31-03-2022	As at 31-03-2021
(i) Capital advances (refer note below)	1.08	0.81
(ii) Advances other than capital advances		
(a) Deposits with Government authorities	0.56	0.56
<b>Total</b>	<b>1.64</b>	<b>1.37</b>

Capital advances includes borrowing costs of ₹0.05 crores (Previous year ₹0.07 crores) at 8% (Previous year 9.75%) which represents average borrowing costs of the company. This also includes advances made for purchase of land and Building in Chennai, Udipi, Bengaluru and Mumbai in the years 2013, 2018, 2020 & 2021 respectively.

## 13. INVENTORIES

Particulars	As at 31-03-2022	As at 31-03-2021
<b>Inventories: (at lower of cost and net realisable value)</b>		
(a) Stock-in-trade *	283.38	245.92
<b>Total</b>	<b>283.38</b>	<b>245.92</b>

\* Includes goods-in-transit amounting to ₹1.47 crores (LY ₹5.85 crores).

(refer note no. 47 (b) for related party transactions in relation to goods-in-transit)

Inventories have been hypothecated as security against certain bank borrowings of the company (refer note no 22, 27 and 44)

## 14. TRADE RECEIVABLES (CURRENT)

Particulars	As at 31-03-2022	As at 31-03-2021
<b>Unsecured:</b>		
(A) Trade receivables - Considered Good	313.71	256.85
Less: Allowance for doubtful debts (Expected credit loss allowance)	(0.04)	(0.04)
<b>Total A</b>	<b>313.67</b>	<b>256.81</b>
(B) Trade receivables with significant increase in credit risk	29.16	30.63
Less: Allowance for doubtful debts (Expected credit loss allowance)	(7.58)	(7.24)
<b>Total B</b>	<b>21.58</b>	<b>23.39</b>
<b>Total (A+B)</b>	<b>335.25</b>	<b>280.20</b>

**Movement in loss allowance of trade receivables**

Particulars	As at 31-03-2022	As at 31-03-2021
Opening balance	7.28	4.64
Amount written off	-	-
Credit loss allowance	0.34	2.64
Closing balance	7.62	7.28

**Trade Receivables (Current) ageing schedule as at 31-03-2022**

Particulars	Not Due	Outstanding from due date of payment				Total
		Less than 6 months	6 months - 1year	1-2 years	2-3 years	
(i) Undisputed Trade receivables – considered good	271.38	34.73	7.56	-	-	313.67
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	7.47	11.20	21.58
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables-considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>271.38</b>	<b>34.73</b>	<b>7.56</b>	<b>7.47</b>	<b>11.20</b>	<b>335.25</b>





## Trade Receivables (Current) ageing schedule as at 31-03-2021

Particulars	Not Due	Outstanding from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	224.08	25.31	7.42	-	-	-	256.81
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	15.99	5.54	1.86	23.39
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>224.08</b>	<b>25.31</b>	<b>7.42</b>	<b>15.99</b>	<b>5.54</b>	<b>1.86</b>	<b>280.20</b>

The credit period on goods sold ranges from 30 to 60 days without security. No interest is charged on overdue trade receivable. Trade receivable with credit impairment is identified on case to case basis.

In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

Before accepting any new customer, the company evaluates the financial soundness, business opportunities, credit references etc of the new customer and defines credit limit and credit period. The credit limit and the credit period are reviewed at periodical intervals.

The Company does not generally hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Company to the counterparty.

Trade receivables have been offered as collateral towards borrowings (refer note no 22, 27 and 44).

In determining the recoverability of a trade receivable, the Company considers any change in the credit quality of the trade receivable from the date when credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.





## 15. CASH AND CASH EQUIVALENTS

Particulars	As at 31-03-2022	As at 31-03-2021
(a) Balances with Banks: In current account	0.13	1.31
(b) Cash on hand	1.12	0.46
<b>Total</b>	<b>1.25</b>	<b>1.77</b>

The company has entered into cash management service agreement with certain banks for the collection of cheques at various branches and transfer of the funds to certain cash credit accounts by way of standing instructions. Pending such credits in the account, the cash credit accounts are disclosed as net of such collections. The above mentioned cash and cash equivalents contain the amount that are available for use by the company.

## 16. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at 31-03-2022	As at 31-03-2021
<b>Earmarked balances:</b>		
(a) With banks in current account (for unclaimed dividends)	0.04	0.04
(b) Fixed Deposits held as margin money	0.80	0.76
<b>Total</b>	<b>0.84</b>	<b>0.80</b>

## 17. LOANS (CURRENT)

Particulars	As at 31-03-2022	As at 31-03-2021
	NIL	NIL
	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**18. OTHER FINANCIAL ASSETS (CURRENT)**

Particulars	As at 31-03-2022	As at 31-03-2021
<b>Unsecured, considered good Financial assets at amortised cost</b>		
(a) Rent receivable*	0.10	0.25
(b) Employee advances*	0.58	0.62
(c) Interest receivable from a subsidiary**	-	0.00
(d) Interest accrued on fixed deposits	0.01	0.04
<b>Total</b>	<b>0.69</b>	<b>0.91</b>

\*Includes transaction(s) with related parties - refer note no 47

\*\*Refer note no 47 (Current year- Nil, Previous year ₹14,941).

**19. OTHER CURRENT ASSETS**

Particulars	As at 31-03-2022	As at 31-03-2021
<b>Advances other than capital advances:</b>		
(a) Advances for purchases	7.00	5.64
(b) Prepaid expenses	0.87	1.47
(c) Balances with Government authorities-(Goods and Service Tax)	1.72	0.01
<b>Total</b>	<b>9.59</b>	<b>7.12</b>

**20. EQUITY SHARE CAPITAL**

Particulars	As at 31-03-2022		As at 31-03-2021	
	No. of Shares	Amount	No. of Shares	Amount
<b>Authorised:</b>				
Equity shares of ₹10/- each	2,50,00,000	25.00	2,50,00,000	25.00
Issued, subscribed and fully paid:	2,28,49,326	22.85	2,28,49,326	22.85

The Authorized share capital of the Company has been increased to ₹30 Crores divided into 3,00,00,000 (Three Crore Only) Equity Shares of ₹10/- (Rupees Ten) each pursuant to approval of the shareholders in their Extra-ordinary meeting held on April 20, 2022.



**a) Reconciliation of number of equity shares and equity share capital**

Particulars	As at 31-03-2022		As at 31-03-2021	
	No. of Shares	Amount	No. of Shares	Amount
Balance as at the beginning of the year	2,28,49,326	22.85	2,28,49,326	22.85
Changes in equity share capital during the year	-	-	-	-
Balance as at the end of the year	2,28,49,326	22.85	2,28,49,326	22.85

**b) Rights, preferences and restrictions**

(i) Rights, preferences and restrictions attached to shares and terms of conversion of other securities into equity.

The company has one class of equity shares having par value of ₹10 each. Each share holder is eligible for one vote per share held and carry a right to dividend. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(ii) There are no restrictions attached to equity shares

**c) Details of shareholders holding more than 5% of the aggregate shares in the Company:**

Name of Shareholder	As at 31-03-2022		As at 31-03-2021	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Mr. Sukumar Srinivas, Bengaluru	1,15,78,787	50.67%	1,25,72,287	55.02%
Amansa Holdings Private Limited, Singapore	-	-	21,59,535	9.45%

**Shares held by promoters at the end of the year 31-03-2022**

S. No	Promoter name	No. of Shares	% of total shares	% Change during the year
1	Mr. Sukumar Srinivas, Bengaluru	1,15,78,787	50.67%	-7.90%
<b>Total</b>		<b>1,15,78,787</b>	<b>50.67%</b>	<b>-7.90%</b>



## Notes to the Standalone Financial Statements

(Rupees in Crores)

## Shares held by promoters at the end of the year 31-03-2021

S. No	Promoter name	No. of Shares	%of total shares	% Change during the year
1	Mr. Sukumar Srinivas, Bengaluru	1,25,72,287	55.02%	0.02%
<b>Total</b>		<b>1,25,72,287</b>	<b>55.02%</b>	<b>0.02%</b>

e) In the period of five years immediately preceding 31-03-2022

- i) The Company has not allotted any equity shares as fully paid-up without payment being received in cash.
- ii) The Company has not allotted any equity shares by way of bonus issue.
- iii) The Company has not bought back any equity shares.

f) Pursuant to the approval of the Board of Directors in their meeting held on 24th March, 2022 and approval of shareholders through special resolution dated 20th April, 2022 passed in Extra-Ordinary General Meeting, the Board has allotted 14,00,000 Warrants on 7th May 2022, each carrying a right to subscribe to one Equity Share per Warrant, at a price of ₹750/- per Warrant ("Warrant Price"), aggregating to ₹105 crores. The Warrants were issued to APL Apollo Mart Limited, Delhi ("Acquirer"), a wholly owned subsidiary of APL Apollo Tubes Limited, Delhi an entity which presently does not qualify as a promoter or member of the promoter group of the Company. The Warrants were issued to APL Apollo Mart Limited by way of a preferential allotment.

## 21. OTHER EQUITY

Particulars	As at 31-03-2022	As at 31-03-2021
Capital Reserve	0.19	0.19
Securities Premium	111.28	111.28
General Reserve	1.24	1.24
Retained earnings	241.40	214.10
<b>Total</b>	<b>354.11</b>	<b>326.81</b>

### General Reserve

General Reserve is an accumulation of retained earnings of the Company, apart from the balance in the statement of profit and loss which can be utilised for meeting future obligations.

### Capital Reserve

Reserve is primarily created on amalgamation as per statutory requirement.



## Notes to the Standalone Financial Statements

(Rupees in Crores)

### Securities Premium

This consists of premium realised on issue of shares and will be applied/ utilised in accordance with the provisions of the Companies Act, 2013.

### Retained earnings

Surplus in Statement of Profit and Loss is part of retained earnings. This is available for distribution to shareholders as dividend and capitalisation.

## 22. BORROWINGS (NON - CURRENT)

Particulars	As at 31-03-2022	As at 31-03-2021
<b>SECURED</b>		
(a) Term loan from banks*	32.04	33.77
<b>UNSECURED</b>		
(b) Loan from a related party viz a subsidiary. (refer note no 47)	39.74	39.98
<b>Total</b>	<b>71.78</b>	<b>73.75</b>

*Terms and security	Current	Non-current	Total
Term Loan 1 - from a bank - under Emergency Credit Line for a period of 60 months (including 12 months of moratorium) - secured by second charge on all the existing and future current assets of the company- rate of Interest 7% pa - repayable in 48 equated monthly installments post moratorium period.	3.94	13.15	17.09
Term Loan 2 - from a bank - under Emergency Credit Line for a period of 60 months (Including 12 months of moratorium) - secured by second charge on stock and book debts - documentation of the charge is yet to be completed by the bank - rate of Interest 7% pa - repayable in 48 equated monthly installments post moratorium period.	0.79	2.38	3.17
Term Loan 3 - from a bank - under Emergency Credit Line for a period of 60 months (including 12 months of moratorium) - secured primarily by charge on existing and future current assets of the company- second charge on the primary security pari passu with current assets - rate of Interest 7% pa - repayable in 48 equated monthly installments post moratorium period.	2.98	9.96	12.94
Term Loan 4 - from a bank - under Emergency Credit Line for a period of 60 months (including 24 months of moratorium) - secured primarily by charge on existing and future current assets of the company- second charge on the primary security pari passu with current assets - rate of Interest 7% pa - repayable in 36 equated monthly installments post moratorium period.	-	6.55	6.55
The term is for 60 months from the date of loan disbursement. There will be a moratorium of one year on the principal amount. From the second year onwards the company will pay a principal of ₹0.02 crore per month till the end of the tenure of the loan. Interest of 7% shall be calculated accordingly. The balance loan amount may be extended as agreed by the Lender and company with necessary diligence as thought fit at that time. However, the Lender has the right to call the entire loan amount giving 60 days notice to the company.	0.24	39.74	39.98

\*Refer note no 44 for carrying amount of vehicles hypothecated

**23. LEASE LIABILITY (NON-CURRENT)**

Particulars	As at 31-03-2022	As at 31-03-2021
Lease liability	8.31	13.65
<b>Total</b>	<b>8.31</b>	<b>13.65</b>

**24. OTHER FINANCIAL LIABILITIES (NON-CURRENT)**

Particulars	As at 31-03-2022	As at 31-03-2021
Rent advance received	0.11	0.07
<b>Total</b>	<b>0.11</b>	<b>0.07</b>

**25. PROVISIONS (NON-CURRENT)**

Particulars	As at 31-03-2022	As at 31-03-2021
Financial guarantee liability	0.44	0.38
<b>Total</b>	<b>0.44</b>	<b>0.38</b>

Provision is made in respect of financial guarantees furnished to lender of subsidiaries. The Company does not foresee any outflow in near future. Refer note 48(C)(2)(ii) for details.

**Movement in provision for financial guarantee liability**

Particulars	As at 31-03-2022	As at 31-03-2021
Balance at the beginning of the year	0.38	0.28
Add: Provision made during the year	0.44	0.38
Less: Cost of investment in subsidiaries	0.38	0.28
<b>Balance at the end of the year</b>	<b>0.44</b>	<b>0.38</b>

**26. INCOME TAXES**

Indian companies are subject to Indian income tax on a standalone basis. Each entity is assessed to tax on taxable profits determined for each fiscal year beginning on April 1 and ending on March 31.

Incomes are assessed based on book profits prepared under generally accepted accounting principles in India adjusted in accordance with the provisions of the Income tax Act, 1961. Such adjustments generally relate to depreciation of fixed assets, disallowances of certain provisions and accruals, the set-off of tax losses and depreciation carried forward and retirement benefit costs.

The Company has opted to exercise the option permitted under section 115BAA of the Income-tax Act, 1961. Accordingly, the Company has made a provision for Income tax and re-measured its deferred tax at the rate prescribed by the section. Income tax is charged at 22% plus surcharge of 10% plus health and education cess of 4%.



## Notes to the Standalone Financial Statements

(Rupees in Crores)

### a) Income tax expenses

Particulars	For the year ended	
	31-03-2022	31-03-2021
<b>Current tax:</b>		
Current tax	8.11	4.62
Tax pertaining to earlier years	-	(0.54)
<b>Deferred tax</b>	0.94	(0.09)
<b>Total</b>	<b>9.05</b>	<b>3.99</b>

A reconciliation of income tax expense applicable to accounting profit before tax at the statutory income tax rate to income tax expense recognised for the year is furnished below:

Particulars	For the year ended		For the year ended	
	31-03-2022	31-03-2022	31-03-2021	31-03-2021
	%	Amount	%	Amount
Profit before tax		36.29		13.97
Tax using the company's domestic tax rate	25.17%	9.13	25.17%	3.52
<b>Tax impact on account of:</b>				
Expenses not deductible in determining taxable profits	1.65%	0.60	3.24%	0.45
Deductions allowable under tax laws	-1.21%	(0.44)	-3.22%	(0.45)
Others - Ind AS adjustments	-0.66%	(0.24)	0.00%	0.00
Fair value gain on derivatives not designated as hedges	0.00%	-	7.24%	1.01
<b>Effective income tax rate/ Tax expense</b>	<b>24.95%</b>	<b>9.05</b>	<b>32.43%</b>	<b>4.53</b>
Particulars	For the year ended		For the year ended	
	31-03-2022	31-03-2022	31-03-2021	31-03-2021
	%	Amount	%	Amount
Tax expenses:				
- Current tax		8.11		4.62
- Deferred tax		0.94		(0.09)
<b>Total tax</b>		<b>9.05</b>		<b>4.53</b>
Add: Tax for earlier years		-		(0.54)
<b>Total tax expenses reported for the year</b>		<b>9.05</b>		<b>3.99</b>

### b) Current Tax Liabilities

Particulars	As at 31-03-2022	As at 31-03-2021
Current tax liabilities(Net)*	2.77	2.68



Notes to the Standalone Financial Statements

(Rupees in Crores)

**c) Deferred Tax Liabilities**

The majority of the deferred tax balance represents differential rates of depreciation for Property, Plant and Equipment under Income Tax Act and disallowance of certain expenditure under Income Tax Act. Significant components of deferred tax assets/(liabilities) recognized in the financial statements are as follows:

Particulars	As at 31-03-2022	As at 31-03-2021
<b>Deferred Tax Liability:</b>		
On account of depreciation for tax purpose	4.85	3.84
<b>Deferred Tax Asset:</b>		
Opening adjustments as per Ind AS 116	(0.65)	(0.65)
Expenses allowed on payment basis	-	-
Allowance for doubtful receivables and advances	(2.70)	(2.77)
Ind AS adjustments	(0.20)	(0.08)
Fair value gain on derivatives not designated as hedges	-	-
<b>Deferred Tax (Asset)/Liabilities (Net)</b>	<b>1.30</b>	<b>0.34</b>

Deferred tax balance (Asset)/Liability in relation to	Balance as at 01-04-2021	Recognised/ (reversed) through profit and loss	Recognised in/ reclassified from other comprehensive income	Balance as at 31-03-2022
Depreciation under income tax act	3.84	1.01	-	4.85
Provision for employee benefit	-	(0.02)	0.02	-
Allowance for doubtful receivables and advances	(2.77)	0.07	-	(2.70)
Ind AS adjustments	(0.08)	(0.12)	-	(0.20)
Fair value gain on derivatives not designated as hedges	-	-	-	-
Adjustment on adoption of Ind AS 116	(0.65)	-	-	(0.65)
<b>Total</b>	<b>0.34</b>	<b>0.94</b>	<b>0.02</b>	<b>1.30</b>

Deferred tax balance (Asset)/Liability in relation to	Balance as at 01-04-2020	Recognised/ (reversed) through profit and loss	Recognised in/ reclassified from other comprehensive income	Balance as at 31-03-2021
Depreciation under income tax act	3.57	0.27	-	3.84
Provision for employee benefit	(0.04)	(0.08)	0.12	-
Allowance for doubtful receivables and advances	(2.11)	(0.66)	-	(2.77)
Ind AS adjustments	(0.25)	0.17	-	(0.08)
Fair value gain on derivatives not designated as hedges	(0.21)	0.21	-	-
Adjustment on adoption of Ind AS 116	(0.65)	-	-	(0.65)
<b>Total</b>	<b>0.31</b>	<b>(0.09)</b>	<b>0.12</b>	<b>0.34</b>



**27. BORROWINGS (CURRENT)**

Particulars	As at 31-03-2022	As at 31-03-2021
<b>SECURED</b>		
(a) Loan repayable on demand (from banks)	60.10	104.22
(b) Current maturities of long-term debt (from banks) (refer note no 22)	7.71	0.79
<b>UNSECURED</b>		
(a) Current maturities of long-term debt from related party (refer note no 22)	0.24	0.02
<b>Total</b>	<b>68.05</b>	<b>105.03</b>

**Terms and Security:**

Working capital loans are repayable on demand and carries interest @ 7.25% to 11% p.a. and secured by:

- First charge on the existing and future current assets belonging to the company.
- Guarantee by the Managing Director.

**Other disclosures (for both current and non-current borrowings)**

- Quarterly returns or statements of current assets filed by the company with banks are in agreement with books of accounts.
- The company has adhered to debt repayment and interest service obligations on time. The company has not been declared as wilful defaulter by any bank or financial institution.
- All applicable cases where registration of charges or satisfaction is required to be filed with Registrar of Companies have been filed. No registration or satisfaction is pending as at the 31.03.2022
- Term loans were applied for the purposes for which they were obtained. Further short term loans availed not have been utilised for long term purposes

**Reconciliation of cashflows from financing activities**

Particulars	As at 31-03-2022	As at 31-03-2021
Cash and cash equivalents	1.25	1.77
Current borrowings	(60.10)	(104.22)
Non-current borrowings*	(79.73)	(74.56)
<b>Net Debt</b>	<b>(138.58)</b>	<b>(177.01)</b>

\* Including current maturities of long-term debt



## Notes to the Standalone Financial Statements

(Rupees in Crores)

Particulars	Other Assets	Liabilities from financing activities		Total
	Cash and cash equivalents	Current borrowings	Non-current borrowings	
<b>Net debt as at 01-04-2020</b>	2.32	(163.05)	(2.44)	(163.17)
Net cashflows	(0.55)	-	-	(0.55)
Proceeds from borrowings	-	-	(73.77)	(73.77)
Repayment of borrowings	-	56.94	1.65	58.59
Exchange gain on restatement	-	1.89	-	1.89
<b>Net debt as at 31-03-2021</b>	1.77	(104.22)	(74.56)	(177.01)
<b>Net debt as at 01-04-2021</b>	1.77	(104.22)	(74.56)	(177.01)
Net cashflows	(0.52)	-	-	(0.52)
Acquisition - leases	-	-	(6.55)	(6.55)
Proceeds from borrowings	-	-	(6.55)	(6.55)
Repayment of borrowings	-	44.12	1.38	45.50
<b>Net debt as at 31-03-2022</b>	1.25	(60.10)	(79.73)	(138.58)

**Note:**

Assets are presented in positive numbers

Liabilities are presented in negative numbers

**28. LEASE LIABILITY (CURRENT)**

Particulars	As at 31-03-2022	As at 31-03-2021
Lease liability	0.84	0.87
<b>Total</b>	<b>0.84</b>	<b>0.87</b>

**29. TRADE PAYABLES**

Particulars	As at 31-03-2022	As at 31-03-2021
(a) Total outstanding dues of micro enterprises and small enterprises (MSME) [refer note no 43]	67.14	0.15
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	234.02	188.11
	301.16	188.26

Notes to the Standalone Financial Statements

(Rupees in Crores)

**Trade Payables ageing schedule as at 31-03-2022**

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	67.14	-	-	-	-	67.14
(ii) Others	233.29	0.73	-	-	-	234.02
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>300.43</b>	<b>0.73</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>301.16</b>

**Trade Payables ageing schedule as at 31-03-2021**

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	0.15	-	-	-	-	0.15
(ii) Others	186.71	1.40	-	-	-	188.11
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>186.86</b>	<b>1.40</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>188.26</b>

Refer note no 47 (c) for related party transactions





## Notes to the Standalone Financial Statements

(Rupees in Crores)

**30. OTHER FINANCIAL LIABILITIES (CURRENT)**

Particulars	As at 31-03-2022	As at 31-03-2021
(a) Interest accrued but not due	0.29	0.46
(b) Unclaimed Dividend	0.04	0.04
(c) Employee Benefits payable	4.03	3.34
(d) Expense payable	3.01	2.28
<b>Total</b>	<b>7.37</b>	<b>6.12</b>

**31. OTHER CURRENT LIABILITIES**

Particulars	As at 31-03-2022	As at 31-03-2021
(a) Advances from customers (refer note no 46(c))	6.56	6.42
(b) Statutory dues	4.65	3.99
<b>Total</b>	<b>11.21</b>	<b>10.41</b>

**32. PROVISIONS (CURRENT)**

Particulars	As at 31-03-2022	As at 31-03-2021
<b>Provision for employee benefits</b>		
(a) Gratuity (refer note no 45) *	0.56	0.21
(b) Compensated absences **	0.10	-
<b>Total</b>	<b>0.66</b>	<b>0.21</b>

**\* Movement in provision for employee benefits - gratuity**

Particulars	As at 31-03-2022	As at 31-03-2021
Balance at the beginning of the year	0.21	1.26
Add: Provision made during the year	0.35	0.23
Less: Provision utilised/ reversed during the year	-	1.28
Balance at the end of the year	0.56	0.21

**\*\* Movement in provision for compensated absences**

Particulars	As at 31-03-2022	As at 31-03-2021
Balance at the beginning of the year	-	0.15
Add: Provision made during the year	0.10	-
Less: Provision reversed during the year	-	0.15
Balance at the end of the year	0.10	-







## Notes to the Standalone Financial Statements

(Rupees in Crores)

**33. REVENUE FROM OPERATIONS**

Particulars	For the Year ended 31-03-2022	For the Year ended 31-03-2021
(a) Sale of traded goods	2,328.75	1,955.97
(b) Sale of manufactured products	-	1.27
<b>Total</b>	<b>2,328.75</b>	<b>1,957.24</b>

**34. OTHER INCOME**

Particulars	For the Year ended 31-03-2022	For the Year ended 31-03-2021
(a) Interest Income	0.10	0.08
(b) Rent received	0.46	0.45
(c) Gain on disposal of property, plant & equipment	0.82	0.05
(d) Fair valuation of financial guarantee	0.06	0.10
(e) Gain on termination of lease	0.10	1.63
(f) Unwinding of interest income on rental deposits	0.39	0.79
(g) Provision for doubtful debts no longer required written back	0.30	-
(h) Provision for expenses no longer required written back	-	0.15
(i) Exchange gain on restatement of liability	-	1.89
(j) Provision for doubtful advances written back	-	0.12
(k) Payables written back	0.07	0.31
(l) Other non-operating income	0.10	0.08
<b>Total</b>	<b>2.40</b>	<b>5.65</b>

(Refer note no. 47 for related party transactions.)

**34 (a) COST OF MATERIALS CONSUMED**

Particulars	For the Year ended 31-03-2022	For the Year ended 31-03-2021
Opening stock of Raw Materials	-	1.32
Add: Purchases of Raw Materials	-	0.64
	<b>-</b>	<b>1.96</b>
Less: Closing stock of Raw Materials	-	-
<b>Total</b>	<b>-</b>	<b>1.96</b>





## Notes to the Standalone Financial Statements

(Rupees in Crores)

### 34 (b) CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-TRADE

Particulars	For the Year ended 31-03-2022	For the Year ended 31-03-2021
Opening stock of Finished goods	-	0.19
Less: Closing stock of Finished goods	-	-
<b>Total (A)</b>	<b>-</b>	<b>0.19</b>
Opening stock of Stock-in-Trade	240.07	307.60
Less: Closing stock of Stock-in-Trade	281.91	240.07
<b>Total (B)</b>	<b>(41.84)</b>	<b>67.53</b>
<b>Total (A + B)</b>	<b>(41.84)</b>	<b>67.72</b>

### 35. EMPLOYEE BENEFITS EXPENSES

Particulars	For the Year ended 31-03-2022	For the Year ended 31-03-2021
(a) Salaries and Wages	27.71	23.58
(b) Contribution to:		
(i) Provident fund (refer note no 45 (a))	1.92	2.01
(ii) Employees' state insurance (refer note no 45 (a))	0.23	0.24
(c) Gratuity (refer note no 45 (b))	0.64	0.72
(d) Welfare Expenses	0.59	0.52
<b>Total</b>	<b>31.09</b>	<b>27.07</b>

### 36. FINANCE COSTS

Particulars	For the Year ended 31-03-2022	For the Year ended 31-03-2021
(a) Interest on borrowings	19.96	19.08
(b) Other borrowing costs	0.24	0.45
(c) Interest on lease liability	0.91	2.22
<b>Total</b>	<b>21.11</b>	<b>21.75</b>

### 36 (a) DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	Note No	For the Year ended 31-03-2022	For the Year ended 31-03-2021
(a) Depreciation			
- Property, plant & equipment	4	6.40	6.48
- Investment property	5	0.04	0.06
- Right-of-use Asset	6	4.21	7.97
Total		10.65	14.51
Less: Depreciation withdrawn on reclassification	5	0.17	
<b>Total (A)</b>		<b>10.48</b>	<b>14.51</b>
(B) Amortization of intangible assets	7	0.24	2.87
<b>Total-(A+B)</b>		<b>10.72</b>	<b>17.38</b>



## Notes to the Standalone Financial Statements

(Rupees in Crores)

## 37. OTHER EXPENSES

Particulars	For the Year ended 31-03-2022	For the Year ended 31-03-2021
(a) Power, Fuel & Water	0.87	0.95
(b) Rent (refer note no 41(b))	4.56	3.28
(c) Repairs and Maintenance		
(i) Buildings	0.02	0.01
(ii) Other Assets	5.05	5.13
(d) Insurance	1.01	1.05
(e) Rates & Taxes	0.57	0.64
(f) Travelling and Conveyance	1.28	0.79
(g) Payment to Auditors (refer note below)	0.33	0.32
(h) Legal and Professional fees	0.89	0.98
(i) Directors sitting fees	0.21	0.21
(j) Communication Expenses	0.74	0.83
(k) Advertisement & Publicity Expenses	0.46	0.20
(l) Loss Allowance for doubtful trade receivables	-	2.61
(m) Material handling charges **	7.81	7.87
(n) Freight Outwards ***	0.63	1.36
(o) Commission Charges	0.86	0.53
(p) Bad Debts written off	4.69	0.03
(q) Loss on sale of property, plant and equipment	0.06	0.26
(r) Sub Contracting	0.09	0.35
(s) Corporate Social Responsibility expenditure (refer note no 49)	0.52	1.10
(t) Exchange Loss	-	0.00
(u) Fair value loss on derivatives not designated as hedges	-	3.03
(v) Fair valuation of financial guarantee	0.06	0.10
(w) Provision for diminution in the value of Investments	0.20	-
(x) Miscellaneous Expenses *	3.24	3.12
<b>Total</b>	<b>34.15</b>	<b>34.75</b>

\*Under this head, there is no expenditure which is in excess of 1% of revenue from operations or ₹0.10 crore, whichever is higher.

\*\* Material handling charges recovered from customers- Current year- ₹4.37 crore - Previous year- ₹3.71 crore.

\*\*\*Freight recovered from customers-Current year- ₹5.33 Crore - Previous year- ₹4.83 crore.



## Notes to the Standalone Financial Statements

(Rupees in Crores)

**Note : Breakup for payment to auditors is as under (excluding GST):**

Particulars	For the Year ended 31-03-2022	For the Year ended 31-03-2021
(a) Statutory Audit	0.22	0.18
(b) Tax Audit	0.02	0.01
(c) Limited Review fees	0.01	0.01
(d) Certification charges	0.03	0.09
(e) Out of Pocket Expenses	0.05	0.03
<b>Total</b>	<b>0.33</b>	<b>0.32</b>

### 38. EARNINGS PER SHARE (EPS)

Particulars	For the Year ended 31-03-2022	For the Year ended 31-03-2021
<b>Basic &amp; Diluted</b>		
A Profit attributable to equity shareholders (in crores)	27.24	9.98
B Weighted average number of equity shares (in crores)	2.28	2.28
C Basic and Diluted EPS (₹) [A/B]	11.92	4.37
Face value per share (₹)	10.00	10.00

The company does not have any potential equity shares. Accordingly, basic and diluted earnings per share would remain the same.

### 39. CONTINGENT LIABILITIES:

Particulars	As at 31-03-2022	As at 31-03-2021
To the extent not provided for:		
(A) In respect of Sales Invoices discounted	6.61	3.61
(B) Liability disputed but not provided for		
(i) Income tax	-	0.82
(ii) Central sales tax	0.07	0.07
(iii) Value added tax*	1.16	1.16
<b>Total</b>	<b>7.84</b>	<b>5.66</b>

\*These cases are pending in appeal at various forums in the respective department. Outflows, if any, arising out of these claims would depend upon the adjudication of appellate authorities and the Company's rights for further appeals.

Refer Note below for amount remitted against disputed liability

Particulars	As at 31-03-2022	As at 31-03-2021
(i) Income tax	-	0.81
(ii) Central sales tax	0.04	0.04
(iii) Value added tax	0.24	0.23



## Notes to the Standalone Financial Statements

(Rupees in Crores)

**40. COMMITMENTS**

Particulars	As at 31-03-2022	As at 31-03-2021
Estimated value of capital commitments towards buildings (Net of advances made ₹0.64 crores.)	0.34	0.34

**41. OPERATING LEASE****a) As lessor:****Leasing Arrangements:**

The investment properties are leased to tenants under operating leases with rentals payable monthly. Minimum lease payments receivable on leases of investment properties are as follows:

Particulars	For the Year ended 31-03-2022	For the Year ended 31-03-2021
Within one year	0.43	0.34
Between 1 and 2 years	0.38	0.28
Between 2 and 3 years	0.28	0.22
Between 3 and 4 years	-	-
Between 4 and 5 years	-	-
Later than 5 years	-	-
	<b>1.09</b>	<b>0.84</b>

**b) As lessee:**

Various Buildings have been taken on operating lease with lease term between 11 and 144 months for office premises, storage space and retail shop, which are renewable on a periodic basis by mutual consent of both parties. There is no restriction imposed by lease arrangements, such as those concerning dividends, additional debts.

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The reporting entity makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised.

For the short-term and low value leases, the reporting entity recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

**Accounting for leases under Ind AS 116**

Particulars	As at / For the Year ended 31-03-2022	As at / For the Year ended 31-03-2021
Opening Gross carrying amount of right of use assets	26.67	48.63
Depreciation charged for the Right-of-use assets	4.21	7.97
Interest expense on lease liability	0.91	2.22
The rental expense relating to short-term leases for which Ind AS 116 has not been applied	4.56	3.28
Additions to Right-of-use assets during the current year	0.49	0.14
Deletions to Right-of-use assets during the current year	7.85	22.10
Closing Gross carrying amount of right of use assets	19.31	26.67
Total cash outflow for leases for the year	5.26	9.28



## Notes to the Standalone Financial Statements

(Rupees in Crores)

### Lease liabilities

Particulars	As at 31-03-2022	As at 31-03-2021
Maturity analysis - contractual undiscounted cash flows		
Not later than one year	5.96	7.41
Later than one year and not more than five years	18.38	24.97
More than five years	0.85	2.42
Total undiscounted liabilities	25.19	34.80
Lease liabilities		
Current	0.84	0.87
Non-current	8.31	13.65

### 42. SEGMENT REPORTING

The segment revenue, segment results or the segment assets of the manufacturing segment does not exceed the 10% of the total revenue from operations, total profit or total assets of the entity respectively. Hence the segment results for the separate (i.e. standalone) financial statements are not presented.

### 43. ADDITIONAL INFORMATION

Disclosure required under Clause 22 of Micro, Small and Medium Enterprise Development ('MSMED') Act, 2006

Particulars	As at 31-03-2022	As at 31-03-2021
(i) the principal amount and the interest due there on remaining unpaid to any supplier at the end of each accounting year;	67.14	0.15
(ii) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(iii) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(iv) the amount of interest accrued and remaining unpaid at the end of each accounting year and	-	-
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-



## Notes to the Standalone Financial Statements

(Rupees in Crores)

**44. ASSETS HYPOTHECATED AS SECURITY:**

The carrying amount of assets hypothecated as security for current and non-current borrowings are:

Particulars	Note No	As at 31-03-2022	As at 31-03-2021
<b>Current Assets</b>			
<b>A) Financial assets</b>			
(i) <i>First and Second Charge</i>			
-Trade Receivables	14	335.25	280.20
(ii) <i>Floating Charge</i>		-	-
<b>B) Non Financial assets</b>			
(i) <i>First and Second Charge</i>			
- Inventories (net off goods-in-transit)	13	281.91	240.07
(ii) <i>Floating Charge</i>		-	-
<b>Total current assets hypothecated as security</b>		<b>617.16</b>	<b>520.27</b>
<b>Non-Current Assets</b>			
<b>A) Financial assets</b>			
(i) <i>First and Second Charge</i>			
- Trade Receivables	9	3.08	3.71
(ii) <i>Floating Charge</i>		-	-
<b>B) Non Financial assets</b>			
(i) <i>First Charge</i>			
- Vehicles	4	-	2.70
- Land and Building	4	12.05	19.52
(ii) <i>Floating Charge</i>		-	-
<b>Total non-current assets hypothecated as security</b>		<b>15.13</b>	<b>25.93</b>
<b>Total assets hypothecated as security</b>		<b>632.29</b>	<b>546.20</b>

**45. EMPLOYEE BENEFITS****a) Defined contribution plans**

Contribution to Defined Contribution Plans, recognised as an expense for the year is as under:

Particulars	For the Year ended 31-03-2022	For the Year ended 31-03-2021
Employer's Contribution to Provident Fund (includes pension fund)	1.92	2.01
Employer's Contribution to Employee State Insurance	0.23	0.24





## Notes to the Standalone Financial Statements

(Rupees in Crores)

### b) Defined benefit plan

#### (i) Gratuity

The Company has funded the gratuity liability ascertained on actuarial basis, wherein every employee who has completed five years or more of service is entitled to gratuity on retirement or resignation or death calculated at 15 days salary for each completed year of service, subject to a maximum of ₹20 lacs per employee. The vesting period for Gratuity as payable under The Payment of Gratuity Act, 1972 is 5 years.

The plans in India typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

**Investment risk:** The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bond yields; if the return on plan asset is below this rate, it will create a plan deficit.

**Interest risk:** A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

**Longevity risk:** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

There are no other post-retirement benefits provided to employees.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31-03-2022. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

#### Gratuity (Funded)

Particulars	As at 31-03-2022	As at 31-03-2021
<b>Liability recognized in the Balance Sheet</b>		
Present value of defined benefit obligation		
Opening Balance	5.90	6.11
Current Service Cost	0.61	0.63
Past Service Cost	-	-
Interest Cost	0.37	0.39
Actuarial Loss/(Gain) on obligation	(0.22)	(0.43)
Transfer In/(Out)	-	0.00
Benefits paid	(0.55)	(0.80)
<b>Closing Balance</b>	<b>6.11</b>	<b>5.90</b>
<b>Less: Fair Value of Plan Assets</b>		
Opening Balance	5.69	4.68
Expected Return on Plan assets less loss on investments	0.34	0.30
Actuarial (Loss)/Gain on Plan Assets	(0.14)	0.06
Transfer In/ (Out)	-	0.19
Employers' Contribution	0.21	1.26
Benefits paid	(0.55)	(0.80)
<b>Closing Balance</b>	<b>5.55</b>	<b>5.69</b>
<b>Amount recognized in Balance Sheet (refer note no 32)</b>	<b>0.56</b>	<b>0.21</b>



Notes to the Standalone Financial Statements

(Rupees in Crores)

Particulars	For the Year ended 31-03-2022	For the Year ended 31-03-2021
<b>Expenses during the year</b>		
Current Service cost	0.61	0.63
Past Service cost	-	-
Interest cost	0.37	0.39
Expected Return on Plan assets	(0.34)	(0.30)
	<b>0.64</b>	<b>0.72</b>
<b>Component of defined benefit cost recognized in statement of profit &amp; loss (refer note no 35)</b>		
Remeasurement of net defined benefit liability		
- Actuarial Loss/(Gain) on defined benefit obligation	(0.22)	(0.43)
- Actuarial Loss/(Gain) on Plan Assets	0.14	(0.06)
<b>Component of defined benefit cost recognized in other comprehensive income</b>	<b>(0.08)</b>	<b>(0.49)</b>
<b>Total</b>		
<b>Actual Return on plan assets</b>	0.20	0.36
<b>Break up of Plan Assets:</b>		
i) Equity instruments	-	-
ii) Debt instruments	-	-
iii) Investment Funds with Insurance Company	100%	100%
Of which, Unit Linked	100%	100%
Of which, Traditional/ Non-Unit Linked	-	-
iv) Asset-backed securities	-	-
v) Structured debt	-	-

Note: None of the assets carry a quoted market price in an active market or represent the entity's own transferable financial instruments or are property occupied by the entity.

Principal actuarial assumptions

Particulars	For the Year ended 31-03-2022	For the Year ended 31-03-2021
Discount Rate (pa)	6.50%	6.20%
Expected rate(s) of salary increase (pa)	7.00%	7.00%
Expected return on plan assets (pa)	6.20%	6.30%
Attrition rate (pa)	10.00%	10.00%
Mortality rate during employment	Indian assured lives mortality 2012-2014 Ult.	



## Notes to the Standalone Financial Statements

(Rupees in Crores)

### Experience adjustments

Particulars	31-03-2022	31-03-2021	31-03-2020	31-03-2019	31-03-2018
Defined Benefit Obligation	6.11	5.90	6.10	4.41	3.33
Plan Assets	5.55	5.69	4.68	3.20	2.86
Surplus / (Deficit)	(0.56)	(0.21)	(1.43)	(1.22)	(0.47)
Experience Adjustments on Plan Liabilities – (Loss)/Gain	0.10	0.47	(0.20)	(0.52)	0.04
Experience Adjustments on Plan Assets – (Loss)/Gain	(0.14)	0.05	0.23	0.04	(0.07)

The Company expects to contribute ₹0.56 crores (previous year ₹0.21 crores) to its gratuity plan for the next year.

In assessing the Company's post retirement liabilities, the Company monitors mortality assumptions and uses up-to date mortality tables, the base being the Indian assured lives mortality (2012-14) ultimate.

Expected return on plan assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations after considering several applicable factors such as the composition of plan assets, investment strategy, market scenario, etc.

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

Effective March 29, 2018, the Government of India has notified the Payment of Gratuity (Amendment) Act, 2018 to raise the statutory ceiling on gratuity benefit payable to each employee to ₹20 lakhs from ₹10 lakhs Accordingly the amended and improved benefits, if any, are recognised as current year's expense as required under paragraph 103, Ind AS 19.

### Sensitivity Analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.



## Notes to the Standalone Financial Statements

(Rupees in Crores)

Particulars	Impact on Defined benefit obligation			
	For the Year ended 31-03-2022		For the Year ended 31-03-2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% increase)	0.42	-	-	0.38
Discount rate (1% decrease)	-	0.37	0.43	-
Future salary growth (1% increase)	0.41	-	0.42	-
Future salary growth (1% decrease)	-	0.37	-	0.38
Attrition rate (1% increase)	0.02	-	-	0.03
Attrition rate (1% decrease)	-	0.02	0.04	-
Mortality (increase in expected life time by 1 year)	0.00	0	0.00	-
Mortality (increase in expected life time by 3 years)	0.00	0	0.00	-

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

The average expected remaining lifetime of the plan members is 6.5 years (31-03-2021 - 6.5 years) as at the valuation date which represents the weighted average of the expected remaining lifetime of all plan participants.

The expected maturity analysis of the benefit payments of gratuity is as follows:

Particulars	Less than a year	Between 1 - 2 years	Between 3 - 5 years	Next 5 years	Total
<b>31-03-2022</b>					
Defined benefit obligation (Gratuity)	0.80	0.85	2.52	4.19	8.36
<b>Total</b>	<b>0.80</b>	<b>0.85</b>	<b>2.52</b>	<b>4.19</b>	<b>8.36</b>
<b>31-03-2021</b>					
Defined benefit obligation (Gratuity)	0.81	0.94	2.57	4.23	8.55
<b>Total</b>	<b>0.81</b>	<b>0.94</b>	<b>2.57</b>	<b>4.23</b>	<b>8.55</b>

The Company had deployed its investment assets in an insurance plan which is invested in market linked bonds. The investment returns of the market-linked plan are sensitive to the changes in interest rates as compared with the investment returns from the smooth return investment plan. The liabilities' duration is not matched with the assets' duration.

The liabilities of the fund are funded by assets. The company aims to maintain a close to full-funding position at each Balance Sheet date. Future expected contributions are disclosed based on this principle.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.





**46. Disclosure on Accounting for revenue from customers in accordance with Ind AS 115**

## Disaggregated revenue information

**A. Type of goods and service**

Particulars	For the Year ended 31-03-2022	For the Year ended 31-03-2021
(a) Sale of products	2,328.75	1,955.97
(b) Sale of Manufactured products	-	1.27
<b>Total Operating Revenue</b>	<b>2,328.75</b>	<b>1,957.24</b>
In India	2,328.75	1,957.24
Outside India	-	-

**B. Timing of revenue recognition**

Particulars	For the Year ended 31-03-2022		For the Year ended 31-03-2021	
	At a point of time	Over a period of time	At a point of time	Over a period of time
Sale of products and other operating income	2,328.75	Nil	1,957.24	Nil

**C. Contract Balances**

Particulars	As at 31-03-2022	As at 31-03-2021
Contract Assets	-	-
Contract Liabilities	6.56	6.42

**D. Revenue recognised in relation to contract liabilities**

Particulars	For the Year ended 31-03-2022	For the Year ended 31-03-2021
Revenue recognised in relation to contract liabilities	6.42	4.27

**E. Reconciliation of revenue recognised in the statement of profit and loss with the contracted price**

Particulars	For the Year ended 31-03-2022	For the Year ended 31-03-2021
Revenue at contracted prices	2,328.75	1,957.24
Revenue from contract with customers	2,328.75	1,957.24
Difference	-	-





## Notes to the Standalone Financial Statements

(Rupees in Crores)

### F. Unsatisfied or partially satisfied performance obligation

Particulars	For the Year ended 31-03-2022	For the Year ended 31-03-2021
Unsatisfied or partially satisfied performance obligation	Nil	Nil

## 47. RELATED PARTY DISCLOSURES

### A. Names of Related parties with whom transactions have taken place during the year/previous year and nature of relationship:

Subsidiaries	Taurus Value Steel & Pipes Private Limited, Kutbullapur Mandal, Telangana
	Vishal Precision Steel Tubes and Strips Private Limited, Hoskote, Karnataka
	Steel Networks (Holdings) Pte Limited, Singapore
	Centurywells Roofing India Private Limited, Kancheepuram, Tamil Nadu
<b>Other related parties and their relationship where transaction exists:</b>	
Key Managerial Personnel	Mr. Sukumar Srinivas (Managing Director)
	Mr. C.Ravikumar (Whole-time-Director)
	Mr. R.S.V.Sivaprasad (Whole-time Director till 31.12.2020)
	Mr. Siddhartha Mundra (Chief Executive Officer till 30.11.2020)
	Mr. Alex Varghese (Chief Financial Officer)
	Ms. Ereena Vikram (Company Secretary)
Relatives of Key Managerial Personnel	Mr. Dhananjay Mirlay Srinivas
	Mrs. Parwathi Mirlay Srikanth
Enterprise in which Key Managerial Personnel have significant influence	Shankara Holdings Private Limited, Bengaluru
Entities where control exist	Shankara Building Products Employees Gratuity Fund, Bengaluru



## Notes to the Standalone Financial Statements

(Rupees in Crores)

## Related Party Disclosures Contd.

B. Transactions with Related Parties	For the Year ended 31-03-2022	For the Year ended 31-03-2021
<b>Purchase of Goods from (refer note 1 below)</b>		
Taurus Value Steel & Pipes Private Limited	61.47	50.90
Vishal Precision Steel Tubes and Strips Private Limited	316.88	240.51
Centurywells Roofing India Private Limited	137.22	121.25
<b>Sale of Goods to (refer note 2 below)</b>		
Taurus Value Steel & Pipes Private Limited	4.16	0.04
Vishal Precision Steel Tubes and Strips Private Limited	31.31	11.98
Centurywells Roofing India Private Limited	11.28	6.76
<b>Rent paid to</b>		
Taurus Value Steel & Pipes Private Limited	0.03	0.03
Vishal Precision Steel Tubes and Strips Private Limited	0.03	0.03
<b>Interest received from</b>		
Steel Networks (Holdings) Pte Limited (Current Year- NIL, Previous Year ₹14,941/-)	0.00	0.00
<b>Interest paid to</b>		
Taurus Value Steel & Pipes Private Limited	2.80	0.18
<b>Rent received from</b>		
Taurus Value Steel & Pipes Private Limited	0.03	0.03
Vishal Precision Steel Tubes and Strips Private Limited	0.01	0.01
Centurywells Roofing India Private Limited	0.22	0.18
<b>Purchase of Assets from</b>		
Vishal Precision Steel Tubes and Strips Private Limited	0.08	0.08
Centurywells Roofing India Private Limited	-	0.06



Notes to the Standalone Financial Statements

(Rupees in Crores)

Transactions with Related Parties	For the Year ended 31-03-2022	For the Year ended 31-03-2021
<b>Sale of Assets to</b>		
Centurywells Roofing India Private Limited	0.02	0.28
Vishal Precision Steel Tubes and Strips Private Limited	0.04	-
<b>Capital reduction by a wholly owned subsidiary viz. Steel Networks Holdings Pte Limited, Singapore.</b>		
<b>Consideration received on reduction of Share capital</b>		
Steel Networks (Holdings) Pte Limited	-	9.99
<b>Advances granted to /(repaid by)</b>		
Taurus Value Steel & Pipes Private Limited	-	-
Vishal Precision Steel Tubes and Strips Private Limited	-	-
Steel Networks (Holdings) Pte Limited (CY - repaid - ₹14,941/-)	(0.00)	(0.16)
A Whole-time Director-Net	0.02	(0.01)
Chief Financial Officer-Net (CY ₹8,131)	(0.00)	(0.01)
<b>Goods-in-transit from</b>		
Taurus Value Steel & Pipes Private Limited	-	0.62
Vishal Precision Steel Tubes and Strips Private Limited	1.34	4.91
Centurywells Roofing India Private Limited	0.13	0.33
<b>Unsecured loan availed</b>		
Taurus Value Steel & Pipes Private Limited	39.98	40.00
<b>Contribution to employee related trusts made during the year</b>		
Shankara Building Products Employees Gratuity Fund	0.21	1.26
<b>Dividend paid to</b>		
Key Managerial Personnel	-	-
Relatives of Key Managerial Personnel	-	-
Shankara Holdings Private Limited	-	-
<b>Guarantees and collaterals furnished/(closed) by the Company on behalf of:</b>		
Taurus Value Steel & Pipes Private Limited	(15.00)	(15.00)
Vishal Precision Steel Tubes and Strips Private Limited	(31.75)	-



## Notes to the Standalone Financial Statements

(Rupees in Crores)

Remuneration paid to Key Managerial Personnel (refer note 3 below)	For the Year ended 31-03-2022	For the Year ended 31-03-2021
<b>Short-term employee benefits</b>		
Managing Director	0.31	-
Whole-time directors	0.58	0.58
Chief Executive Officer	-	0.51
Chief Financial Officer	0.33	0.24
Company Secretary	0.12	0.09
<b>Remuneration paid to Relative of Key Managerial Personnel</b>	0.05	0.03

**Notes**

1. The purchases from related parties are in the ordinary course of business. Purchase transactions are based on normal commercial terms and conditions and market rates.
2. The sales to related parties are in the ordinary course of business. Sales transactions are based on prevailing price lists. The Company has not recorded any expected credit loss for trade receivables from related parties.
3. As the future liability for gratuity is provided on an actuarial basis for the company as a whole, the amount pertaining to individual is not ascertainable and therefore not included above
4. Advance was granted to Subsidiary for working capital purpose.

C. Balance Outstanding to/ from related parties	As at 31-03-2022	As at 31-03-2021
<b>Trade Payables</b>		
Taurus Value Steel & Pipes Private Limited	2.87	1.56
Centurywells Roofing India Private Limited	29.63	26.26
Vishal Precision Steel Tubes and Strips Private Limited	24.85	29.55
<b>Rent payable</b>		
Vishal Precision Steel Tubes and Strips Private Limited (Current Year ₹27,000/-)	0.00	0.03
Taurus Value Steel & Pipes Private Limited (Current Year ₹27,000/-)	0.00	0.03
<b>Remuneration payable to Key Managerial Personnel</b>		
Whole-time director	0.03	0.02
Chief Financial Officer	0.01	0.02
Company Secretary	0.01	0.01
<b>Remuneration payable to a relative of a Key Managerial Personnel</b> (Current year-₹37,400/-, Previous year- ₹28,000/-)	0.00	0.00



## Notes to the Standalone Financial Statements

(Rupees in Crores)

C. Balance Outstanding to/ from related parties	As at 31-03-2022	As at 31-03-2021
<b>Rent Receivable</b>		
Taurus Value Steel & Pipes Private Limited (Current Year ₹31,000/-)	0.00	0.04
Vishal Precision Steel Tubes and Strips Private Limited (Current Year ₹23,000/-)	0.00	0.01
Centurywells Roofing India Private Limited	0.02	0.15
<b>Interest Receivable from</b>		
Steel Networks (Holdings) Pte Limited (Current Year-Rs.Nil, Previous Year ₹14,941/-)	-	0.00
<b>Loan Payable</b>		
Taurus Value Steel & Pipes Private Limited	39.98	40.00
<b>Assets hypothecated as security against the loans availed by</b>		
Taurus Value Steel & Pipes Private Limited	-	7.95
Centurywells Roofing India Private Limited	12.05	11.58
<b>Guarantees &amp; Collaterals furnished to</b> (Refer note no 48 (C)(2) for maximum exposure)		
Taurus Value Steel & Pipes Private Limited	5.00	20.00
Vishal Precision Steel Tubes and Strips Private Limited	45.75	77.50
Centurywells Roofing India Private Limited	40.00	40.00
<b>Guarantees &amp; Collaterals furnished by</b>		
Taurus Value Steel & Pipes Private Limited	95.00	95.00
Vishal Precision Steel Tubes and Strips Private Limited	95.00	95.00
Centurywells Roofing India Private Limited	95.00	95.00
<b>Guarantees furnished by</b>		
Managing Director	247.50	257.50
Due from a Whole-time director	0.02	-
Due from Chief Financial Officer	0.03	0.03

### Terms and Conditions

All outstanding balances are unsecured and are repayable in cash

### Guarantees furnished to subsidiaries:

Guarantees furnished to the lenders of the subsidiaries are for availing working capital facilities from the lender banks.

### Guarantees furnished by subsidiaries:

Guarantees furnished to the lenders of the company are for availing working capital facilities from the lender banks.

### Guarantees furnished by managing director:

Personal guarantee furnished by the managing director to the company are for availing working capital facilities from the lender banks.

**Notes to the Standalone Financial Statements**

(Rupees in Crores)

**48. Financial Instruments****A. Capital Management****(1) Capital risk management**

The Company's capital requirements are mainly to fund its expansion, working capital and strategic acquisitions. The principal source of funding of the Company has been, and is expected to continue to be, cash generated from its operations supplemented by borrowings from bank and funds from capital markets. The Company is not subject to any externally imposed capital requirements.

The Company regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce finance cost and closely monitors its judicious allocation amongst competing expansion projects and strategic acquisitions, to capture market opportunities at minimum risk.

The Company monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents, Bank balances other than cash and cash equivalents.

Particulars	Note No.	As at 31-03-2022	As at 31-03-2021
Long term borrowings	22	71.78	73.75
Current maturities of long-term debt	27	7.95	0.81
Short term borrowings	27	60.10	104.22
Less: Cash and cash equivalents	15	(1.25)	(1.77)
Net Debt (A)		138.58	177.01
Total Equity (B)	20,21	376.96	349.66
Gearing Ratio (A / B)		0.37	0.51

- i) Equity includes all capital and reserves of the Company that are managed as capital.
- ii) Debt is defined as long and short term borrowings (excluding financial guarantee contracts), as described in Note 22 and 27

(2) Dividend is not paid during the current year, as well as in the preceeding year.

The Board has recommended final dividend of ₹1/- per equity share (face value of ₹10/- each) aggregating to ₹2.29 crore for the financial year ended 31-03-2022, subject to the approval of the shareholders in the ensuing Annual General Meeting









Notes to the Standalone Financial Statements

(Rupees in Crores)

B. Categories of financial instruments

Particulars	Note No	As at 31-03-2022		As at 31-03-2021	
		Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial assets</b>					
<b>Measured at amortised cost</b>					
Loans	10,17	0.06	0.06	0.06	0.06
Other financial assets	11,18	7.77	7.77	7.86	7.86
Trade receivables	9,14	338.33	338.33	283.91	283.91
Cash and cash equivalents	15	1.25	1.25	1.77	1.77
Bank balances other than cash and cash equivalents	16	0.84	0.84	0.80	0.80
Non-current Investments	8	38.85	38.85	38.99	38.99
<b>Total financial assets at amortised cost (A)</b>		<b>387.10</b>	<b>387.10</b>	<b>333.39</b>	<b>333.39</b>
<b>Total financial assets measured at fair value through other comprehensive income (B)</b>		-	-	-	-
<b>Measured at fair value through profit and loss</b>					
Derivative asset not designated as hedge Foreign exchange forward contracts		-	-	-	-
<b>Total financial assets measured at fair value through profit and loss (C)</b>		-	-	-	-
<b>Total financial assets (A+B+C)</b>		<b>387.10</b>	<b>387.10</b>	<b>333.39</b>	<b>333.39</b>
<b>Financial liabilities</b>					
<b>Measured at amortised cost</b>					
Long term Borrowings *	22,27	79.73	79.73	74.56	74.56
Short term Borrowings	27	60.10	60.10	104.22	104.22
Trade payables	29	301.16	301.16	188.26	188.26
Lease Liabilities	23,28	9.15	9.15	14.52	14.52
Other financial liabilities**	24,30	7.48	7.48	6.19	6.19
<b>Total financial liabilities carried at amortised cost (A)</b>		<b>457.62</b>	<b>457.62</b>	<b>387.75</b>	<b>387.75</b>
<b>Total financial liabilities measured at fair value through profit and loss (B)</b>		-	-	-	-
<b>Total financial liabilities measured at fair value through other comprehensive income (C)</b>		-	-	-	-
<b>Total financial liabilities (A+B+C)</b>		<b>457.62</b>	<b>457.62</b>	<b>387.75</b>	<b>387.75</b>

\* including current maturities of long-term debt

\*\* excluding current maturities of long-term debt



## Notes to the Standalone Financial Statements

(Rupees in Crores)

### C. Financial risk management

The Company has an Audit & Risk Management Committee established by its Board of Directors for overseeing the Risk Management Framework and developing and monitoring the Company's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company.

The risk management policies aims to mitigate the following risks arising from the financial instruments:

- Market risk
- Credit risk; and
- Liquidity risk

#### (1) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Company is exposed in the ordinary course of its business to risks related to changes in commodity prices and interest rates.

#### (i) Currency Risk

##### Exposure to currency risk

Particulars	As at 31-03-2022		As at 31-03-2021	
	USD	INR	USD	INR
Total foreign currency exposure in respect of recognised liabilities	-	-	-	-
Forward exchange contracts	-	-	-	-
<b>Net Exposure</b>	-	-	-	-

### Sensitivity

Currency risks related to the amounts of foreign currency loans are fully hedged using derivatives that mature on the same dates as the loans are due for repayment.

#### (ii) Commodity price risk:

The Company's revenue is exposed to the market risk of price fluctuations related to the sale of its steel and other building products. Market forces generally determine prices for the steel products sold by the Company. These prices may be influenced by factors such as supply and demand, production costs (including the costs of raw material inputs) and global and regional economic conditions and growth. Adverse changes in any of these factors may reduce the revenue that the Company earns from the sale of its steel products.

The Company purchases the steel and other building products in the open market from third parties as well as from subsidiaries at prevailing market price. The Company is therefore subject to fluctuations in the prices of steel coil, steel pipes, sanitary wares etc.



## Notes to the Standalone Financial Statements

(Rupees in Crores)

The Company aims to sell the products at prevailing market prices. Similarly the Company procures the products based on prevailing market rates as the selling prices of steel products and the prices of inputs move in the same direction.

**Inventory Sensitivity Analysis (Raw materials, Finished goods & Stock in trade)**

A reasonably possible changes of 1% in prices of inventory at the reporting date, would have increased (decreased) equity and profit or loss by the amounts shown below. The analysis assumes that all other variables remain constant.

Particulars	Impact on profit or (loss)		Impact on Equity, net of tax	
	As at 31-03-2022	As at 31-03-2021	As at 31-03-2022	As at 31-03-2021
1% increase in prices of Inventory	(2.83)	(2.46)	(2.12)	(1.84)
1% decrease in prices of Inventory	2.83	2.46	2.12	1.84

**(iii) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk since funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

The following table provides a break-up of the Company's fixed and floating rate borrowings:

Particulars	As at 31-03-2022	As at 31-03-2021
Fixed rate borrowings	79.73	74.56
Floating rate borrowings	60.10	104.22
<b>Total borrowings</b>	<b>139.83</b>	<b>178.78</b>
Total Net borrowings as per Financial Statements	139.83	178.78
Add: Upfront fees	-	-
<b>Total borrowings</b>	<b>139.83</b>	<b>178.78</b>

**Sensitivity analysis for variable-rate instruments**

This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Impact on profit or (loss)		Impact on Equity, net of tax	
	As at 31-03-2022	As at 31-03-2021	As at 31-03-2022	As at 31-03-2021
100 basis points increase in interest rates	(0.60)	(1.04)	(0.45)	(0.78)
100 basis points decrease in interest rates	0.60	1.04	0.45	0.78

**(2) Credit risk management:**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of credit worthiness as well as concentration risks.

Company's credit risk arises principally from the trade receivables, advances and financial guarantees furnished to the lenders of the subsidiaries.



## Notes to the Standalone Financial Statements

(Rupees in Crores)

### (i) Trade receivables:

Customer credit risk is managed centrally by the company and subject to established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on financial position, past performance, business/ economic conditions, market reputation, expected business etc. Based on that credit limit & credit terms are decided. Outstanding customer receivables are regularly monitored.

Trade receivables consist of a large number of customers spread across diverse industries and geographical areas with no significant concentration of credit risk. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables.

#### Year ended 31-03-2022

##### Expected credit loss for trade receivables under simplified approach

Ageing	Not Due	Less than 6 months	6 months 1 year	1-2 years	2-3 years	More than 3 years	Total
Gross carrying amount - Trade receivables	271.38	34.80	7.96	10.72	14.16	10.00	349.02
Expected credit losses (Loss allowance provision) - trade receivables	-	(0.03)	(0.22)	(2.56)	(2.88)	(5.00)	(10.69)
<b>Carrying amount of trade receivables (net of impairment)</b>	<b>271.38</b>	<b>34.77</b>	<b>7.74</b>	<b>8.16</b>	<b>11.28</b>	<b>5.00</b>	<b>338.33</b>

#### Year ended 31-03-2021

##### Expected credit loss for trade receivables under simplified approach

Ageing	Not Due	Less than 6 months	6 months 1 year	1-2 years	2-3 years	More than 3 years	Total
Gross carrying amount - Trade receivables	224.08	25.31	7.66	19.99	9.94	7.92	294.90
Expected credit losses (Loss allowance provision) - trade receivables	-	-	(0.14)	(4.00)	(2.89)	(3.96)	(10.99)
<b>Carrying amount of trade receivables (net of impairment)</b>	<b>224.08</b>	<b>25.31</b>	<b>7.52</b>	<b>15.99</b>	<b>7.05</b>	<b>3.96</b>	<b>283.91</b>

**Notes to the Standalone Financial Statements**

(Rupees in Crores)

**(ii) Financial guarantees furnished :**

The company has furnished Corporate guarantee to the lenders of the subsidiaries for availing working capital facilities.

Maximum amount of exposure if the guarantee is called on, in the event of default:

As at 31-03-2022	As at 31-03-2021
81.54	67.10

The company does not anticipate any downfall in the current level of performance of the subsidiaries in the near future. The networth of the subsidiaries are sufficient enough to manage in the event of default.

**3. Liquidity risk management**

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Company requires funds both for short term operational needs as well as for strategic acquisitions. The Company generates sufficient cash flow for operations, which together with the available cash and cash equivalents and borrowings provide liquidity. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The company has access to the following undrawn borrowing facilities at the end of the reporting period:

**Financing arrangements**

Particulars	As at 31-03-2022	As at 31-03-2021
Floating Rate		
- Expiring within one year	58.86	90.07
- Expiring beyond one year	-	-

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods and its non-derivative financial assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

With respect to floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.





## Notes to the Standalone Financial Statements

(Rupees in Crores)

### Liquidity exposure as at 31-03-2022

Particulars	Note no	< 1 year	1-5 years	> 5 years	Total
<b>Financial assets</b>					
Loans	10,17	-	0.06	-	0.06
Other financial assets	11,18	0.69	6.94	0.14	7.77
Trade receivables	9,14	335.25	3.08	-	338.33
Cash and cash equivalents	15	1.25	-	-	1.25
Bank balances other than cash and cash equivalents	16	0.84	-	-	0.84
Non-current Investments	8	-	-	38.85	38.85
<b>Total financial assets</b>		<b>338.03</b>	<b>10.08</b>	<b>38.99</b>	<b>387.10</b>
<b>Financial liabilities</b>					
Long term Borrowings *	22,27	7.95	71.78	-	79.73
Short term Borrowings	27	60.10	-	-	60.10
Trade payables	29	301.16	-	-	301.16
Lease Liabilities	23,28	8.31	0.84	-	9.15
Other financial liabilities**	24,30	7.37	0.11	-	7.48
<b>Total financial liabilities</b>		<b>384.89</b>	<b>72.73</b>	<b>-</b>	<b>457.62</b>

\* including current maturities of long-term debt

\*\*excluding current maturities of long-term debt

### Liquidity exposure as at 31-03-2021

Particulars	Note no	< 1 year	1-5 years	> 5 years	Total
<b>Financial assets</b>					
Loans	10,17	0.00	0.06	-	0.06
Other financial assets	11,18	0.91	6.75	0.20	7.86
Trade receivables	9,14	280.20	3.71	-	283.91
Cash and cash equivalents	15	1.77	-	-	1.77
Bank balances other than cash and cash equivalents	16	0.80	-	-	0.80
Non-current Investments	8	-	-	38.99	38.99
<b>Total financial assets</b>		<b>283.68</b>	<b>10.52</b>	<b>39.19</b>	<b>333.39</b>
<b>Financial liabilities</b>					
Long term Borrowings *	22,27	0.81	73.75	-	74.56
Short term Borrowings	27	104.22	-	-	104.22
Trade payables	29	188.26	-	-	188.26
Lease Liabilities	23,28	13.65	0.87	-	14.52
Other financial liabilities**	24,30	6.12	0.07	-	6.19
<b>Total financial liabilities</b>		<b>313.06</b>	<b>74.69</b>	<b>-</b>	<b>387.75</b>

\* including current maturities of long-term debt

\*\*excluding current maturities of long-term debt



Notes to the Standalone Financial Statements

(Rupees in Crores)

The amount of guarantees furnished on behalf of subsidiaries included in note no.47(c) represents the maximum amount the Company could be forced to settle for the full guaranteed amount. Based on the expectation at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the arrangement.

Collateral

The Company has hypothecated part of its financial assets in order to fulfil certain collateral requirements for the banking facilities extended to the Company. There is an obligation to return the securities to the Company once these banking facilities are surrendered. (refer note no 22, 27 and 44)

D. Level wise disclosure of financial instruments

Particulars	Note No	As at 31-03-2022				As at 31-03-2021			
		Carrying Value	Fair Value			Carrying Value	Fair Value		
			Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
<b>Financial assets</b>									
Loans	10,17	0.06			-	0.06			
Other financial assets	11,18	7.77			5.85	7.86			5.73
Trade receivables	9,14	338.33				283.91			
Cash and cash equivalents	15	1.25				1.77			
Bank balances other than cash and cash equivalents	16	0.84				0.80			
Non-current Investments	8	38.85				38.99			
<b>Total financial assets</b>		<b>387.10</b>	-	-	<b>5.85</b>	<b>333.39</b>	-	-	<b>5.73</b>
<b>Financial liabilities</b>									
Long term Borrowings *	22,27	79.73				74.56		-	
Short term Borrowings	27	60.10				104.22			
Trade payables	29	301.16				188.26			
Lease Liabilities	23,28	9.15				14.52			
Other financial liabilities**	24,30	7.48				6.19			
<b>Total financial liabilities</b>		<b>457.62</b>	-	-	-	<b>387.75</b>	-	-	-

\* including current maturities of long-term debt

\*\*excluding current maturities of long-term debt

The carrying amounts of short-term borrowings, trade receivables, trade payables, cash and cash equivalents, other bank balances and other financial assets and liabilities other than those disclosed in the above table, are considered to be the same as their fair values, due to their short term nature.







## Notes to the Standalone Financial Statements

(Rupees in Crores)

**49. CORPORATE SOCIAL RESPONSIBILITY**

a) Gross amount required to be spent by Company during the year - ₹0.52 Crores

(Previous year: ₹0.79 Crores)

b) Amount spent during the year:

Year ended 31-03-2022

Particulars	Amount required to be spent for the year	Amount of expenditure incurred	Shortfall at the end of the year	Total of previous years shortfall
a) Construction / acquisition of any assets	-	-	-	-
b) On purpose other than (a) above	0.52	0.52	-	-

Year ended 31-03-2021

Particulars	Amount required to be spent for the year	Amount of expenditure incurred	Shortfall at the end of the year	Total of previous years shortfall
a) Construction / acquisition of any assets	-	-	-	-
b) On purpose other than (a) above	0.79	1.10	-	0.21

Amount paid is included under Other expenses (refer note no 37)

**Nature of CSR Activities** - Healthcare infrastructure, education, environment sustainability, rehabilitating abandoned women and children.**50. Exceptional Items**

Capital reduction by a wholly owned subsidiary viz. Steel Networks

Particulars	For the Year ended 31-03-2022	For the Year ended 31-03-2021
Net Gain on Capital reduction		
Exchange Gain on realisation of proceeds	-	1.65
Less: Loss on reduction in the value of shares .	-	1.12
<b>Net Gain on Capital reduction (Credit)</b>	-	<b>0.53</b>
Provision for diminution in value of investments(Debit)	-	(0.03)
<b>Total</b>	-	<b>0.50</b>





## Notes to the Standalone Financial Statements

(Rupees in Crores)

### 51. Previous year figures

The previous year figures has been regrouped in accordance with amendment to Schedule III vide notification no. F. No. 17/62/2015-CL-V Vol-I dated March 24, 2021 issued by the Ministry of Corporate Affairs, wherever required.

### 52. Note on impact of COVID-19

The company has been periodically reviewing the impact of Covid-19 on the Business operations of the Company. The situation created by Covid-19 in the last two years has somewhat abated. However the Management continues to monitor the situation and is prepared to take any action that could arise due to any future waves of Covid in the best interest of all stakeholders of the Company.

### 53. Ratios as per the Schedule III requirements

#### A. Current ratio = Current asset / Current liability.

Particulars	As at 31.03.2022	As at 31.03.2021
Current assets	631.00	536.72
Current Liabilities	392.06	313.58
<b>Ratio (times)</b>	<b>1.61</b>	<b>1.71</b>
<b>% change from previous year</b>	<b>-5.85</b>	

Reason for change more than 25%: Not applicable

#### B. Net Debt-Equity Ratio = Net debt / total equity

Particulars	As at 31.03.2022	As at 31.03.2021
Net Debt (refer note (i) below)	138.58	177.01
Equity	376.96	349.66
<b>Ratio (times)</b>	<b>0.37</b>	<b>0.51</b>
<b>% change from previous year</b>	<b>-27.45</b>	

#### Note

(i) Net debt = Long term borrowings + Short term borrowings - Cash and cash equivalents

Reason for change more than 25%: Reflects reduction in borrowings

#### C. Debt service coverage ratio = Earnings available for debt service / Interest expense and principal repayment of long term loan made during the year.

Particulars	As at 31.03.2022	As at 31.03.2021
Earnings available for debt services (refer note (i) below)	68.12	52.61
Interest + Principal Repayments of long term loans made during the period excluding prepayment	21.59	21.17
<b>Ratio (times)</b>	<b>3.16</b>	<b>2.48</b>
<b>% change from previous year</b>	<b>27.42</b>	

#### Note

(i) Earnings available for debt service = Earnings before interest, tax, exceptional items, depreciation and amortisation.

Reason for change more than 25%: Reflects better operational performance



## Notes to the Standalone Financial Statements

(Rupees in Crores)

**D. Return on equity ratio = Net profit after tax / average equity**

Particulars	As at 31.03.2022	As at 31.03.2021
Net profit after tax	27.24	9.98
Average shareholders equity (refer note (i) below)	363.31	344.49
<b>Ratios (percentage)</b>	<b>7.5%</b>	<b>2.9%</b>
<b>% change from previous year</b>	<b>158.62</b>	

**Note:** (i) Average shareholders equity = (Total equity as at beginning of respective year + total equity as at end of respective year) divided by 2

Reason for change more than 25%: Reflects better operational performance

**E. Inventory turnover ratio = Cost of goods sold / average inventory**

Particulars	As at 31.03.2022	As at 31.03.2021
Cost of goods sold (refer note (i) below)	2,197.79	1,848.47
Average inventory (refer note (ii) below)	260.99	273.84
<b>Ratio (times)</b>	<b>8.42</b>	<b>6.75</b>
<b>% change from previous year</b>	<b>24.74</b>	

**Note:** (i) Cost of goods sold of respective year = Cost materials consumed + purchases + Changes in inventory

(ii) Average inventory = (Total inventory as at beginning of respective year + total inventory as at end of respective year) divided by 2

Reason for change more than 25%: Not applicable

**F. Trade receivables turnover ratio = Sales / Average trade receivables**

Particulars	As at 31.03.2022	As at 31.03.2021
Turnover (refer note (i) below)	2,747.93	2,309.54
Average trade receivables (refer note (ii) below)	311.12	346.10
<b>Ratio (times)</b>	<b>8.83</b>	<b>6.67</b>
<b>% change from previous year</b>	<b>32.38</b>	

**Note:** (i) Turnover = Revenue from operations (including GST)

(ii) Average trade receivables = (Total trade receivables as at beginning of respective year + total trade receivables as at end of respective year) divided by 2

Reason for change more than 25%: Reflects better operational performance

**G. Trade payables turnover ratio = Purchases / Average trade payables**

Particulars	As at 31.03.2022	As at 31.03.2021
Purchases	2,239.63	1,778.79
Average trade payables (refer note (i) below)	244.71	304.14
<b>Ratio (times)</b>	<b>9.15</b>	<b>5.85</b>
<b>% change from previous year</b>	<b>56.41</b>	

**Note:** (i) Average trade payables = (Total Trade Payables as at beginning of respective year + Total Trade Payables as at end of respective year) divided by 2

Reason for change more than 25%: Reflects better operational performance





## Notes to the Standalone Financial Statements

(Rupees in Crores)

### H. Net capital turnover ratio = Revenue from operations / Working capital

Particulars	As at 31.03.2022	As at 31.03.2021
Revenue from operations	2,328.75	1,957.24
Working capital	238.94	223.15
<b>Ratios (times)</b>	<b>9.75</b>	<b>8.77</b>
% change from previous year	11.17	

Note: Working capital = Current assets - Current liabilities

Reason for change more than 25%: Not applicable

### I. Net profit ratio = Net profit after tax / Revenue from operations

Particulars	As at 31.03.2022	As at 31.03.2021
Net profit after tax	27.24	9.98
Revenue from operations	2,328.75	1,957.24
<b>Ratios (percentage)</b>	<b>1.2%</b>	<b>0.5%</b>
% change from previous year	140.00	

Reason for change more than 25%: Reflects better operational performance

### J. Return on Capital employed = Earnings before interest and taxes (EBIT) / Capital employed

Particulars	As at 31.03.2022	As at 31.03.2021
EBIT (refer note (i) below)	57.40	35.22
Capital employed (refer note (ii) below)	515.54	526.67
<b>Ratios (percentage)</b>	<b>11.1%</b>	<b>6.7%</b>
% change from previous year	65.67	

#### Note

(i) EBIT = Profit before taxes + finance cost

(ii) Capital employed = Total equity + Net debt

Reason for change more than 25%: Reflects better operational performance

### K. Return on investment = Income generated from investments / average investments

This is not applicable as the investments are made only in the subsidiaries. Benchmarking the return on annual basis will not reflect yielded from such investments.

**Notes to the Standalone Financial Statements**

(Rupees in Crores)

**54.** No proceedings have been initiated or pending against the Company for holding Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the Rules made there under

**55.** The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiary

**56.** The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

**57.** The Company has not operated in any crypto currency or Virtual Currency transactions

**58.** There are no transactions with the Companies whose name are struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956 during the year ended 31-03-2022

**59.** During the year the Company has not disclosed or surrendered, any income other than the income recognised in the books of accounts in the tax assessments under Income Tax Act, 1961.

**60.** The Company has complied with the number of layers prescribed under clause (87) of Section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

**61.** No scheme of arrangement has been approved by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013

**62.** The Company has not granted Loans or Advances in the nature of loan to any promoters, Directors, KMPs and the related parties (As per Companies Act, 2013) , which are repayable on demand or without specifying any terms or period of repayments

**63. Events occurring after the Balance Sheet date**

The Board has recommended a final dividend of ₹1/- (Rupee one only) per equity share (face value of ₹10/- each) for the financial year ended 31-03-2022 aggregating to ₹2.29 crores subject to the approval of shareholders in the ensuing Annual General Meeting."

As per our report attached of even date

**For and on behalf of the Board of Directors****For SUNDARAM & SRINIVASAN**

Chartered Accountants

ICAI Firm Reg.No: 004207S

VENKATASUBRAMANIAN.S

Partner

Membership No: 219238

Sukumar Srinivas

Managing Director

DIN: 01668064

Alex Varghese

Chief Financial Officer

C.Ravikumar

Whole-time Director

DIN: 01247347

Ereena Vikram

Company Secretary

ACS Membership No: 33459

Place: Bengaluru

Date: 16th May 2022

Place: Bengaluru

Date: 16th May 2022



