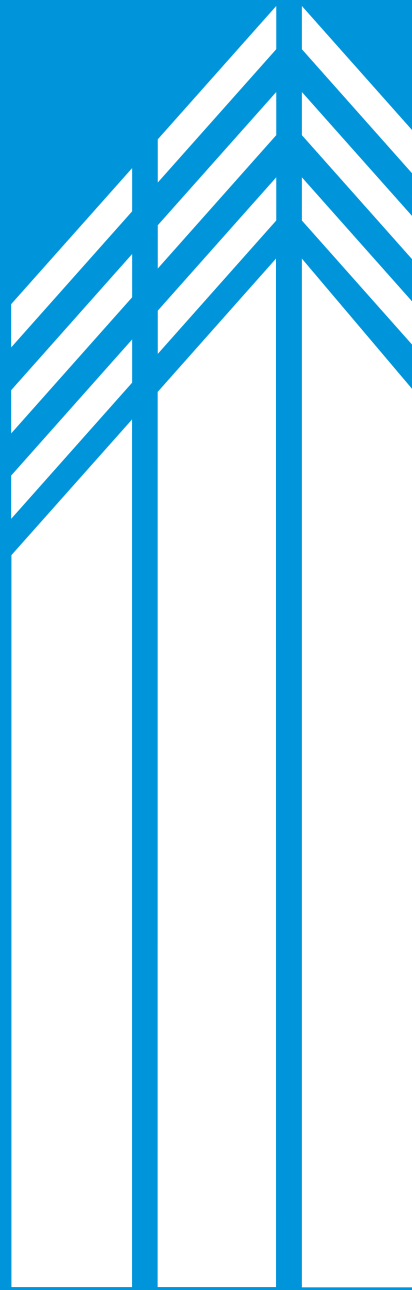




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## Board of Directors

**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

**Ms. Ereena Vikram**  
Company Secretary

**Mr. Alex Varghese**  
Chief Financial Officer

## Statutory Auditors

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

## Bankers

**Citibank NA.**

**HDFC Bank Ltd.**

**Standard Chartered Bank.**

**Kotak Mahindra Bank Ltd.**

**IDFC Bank Ltd.**

**Federal Bank Ltd.**

**IndusInd Bank Ltd.**

## Registered Office

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

## Registrar & Share Transfer Agent

### **M/s Kfin Technologies Private 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  
Website: <https://www.kfintech.com>



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## Chairman's Message

Dear Shareholders,

It gives me immense pleasure to welcome you to our 26th Annual General Meeting. The year 2020-21 has been the most challenging year for the company in its history. We are in the midst of an unprecedented pandemic the end of which is far from certain. The pandemic has changed the way we do business, interact professionally, socialize and our way of life. This pandemic accentuated the fault lines in our public health delivery systems resulting in increased attention and resources to the sector. Needless to add, it has implications for our business. We need to build in increased resilience, contingency planning in our operations and be prepared to be nimble and flexible in meeting market conditions.

The first quarter of 2020-21 started with the lockdown impacting our business significantly. In the second and third quarter there was a quantum improvement in business activity. The Indian economy was beginning to see normalcy in the fourth quarter, quarter January-March 2021.

The Company took substantial measures to mitigate the fallout of lockdowns which meant lower revenues, profits and increased working capital. We primarily focused on reducing the working capital cycle which meant reduction of inventory and debtors – this incidentally was in sync with our long term goal of balance sheet improvement. Further, the Company also worked to optimize expenses. We further consolidated our operations and closed non remunerative stores bringing down the retail outlets to 95 (from 120). There was further rationalization on the number of products and SKUs handled by the retail stores. These measures resulted in the following:-

Particulars	FY March, 21	FY March, 20
	<b>Consolidated</b>	
	Amount (₹Cr)	Amount (₹Cr)
Inventory	316.08	400.45
Debtors	295.09	428.48
Borrowings	276.12	338.11
Finance cost	33.08	43.35
Expenses	82.74	124.40

As can be seen in the table there was a reduction of about ₹84 Cr in inventory, ₹133 Cr in debtors, ₹62 Cr in borrowings, ₹10 Cr in finance cost and about ₹42 Cr in other expenses. As you are aware your Company operates in three distinct segments of retail, channel and enterprise and the consolidated results encompass all of them.

Your Company has continued to focus on its retail business. Due to the lockdowns and social distancing measures large retail formats and malls were shut down for a substantial period of the past year. Shankara has a distinct advantage as our stores are standalone. This meant that we were able to open and continue operations for a larger part of the year. We took many measures to reach out to our customer segments. There was a substantial increase from our side on telephonic canvassing, mail order and promotion of our digital catalogue and sales.

The pandemic affected the larger cities to a greater extent. Your Company benefited by the fact that we have a substantial presence in Tier II and III locations. The channel business was sustained and even saw some growth during FY21. This segment helped in improving cash flows during the year and was strategically important in generating revenues during full lockdowns.



The enterprise segment was probably the slowest to recover in the year. We saw an uptake from the end of the second quarter and a semblance of normalcy from the fourth quarter. The processing activities of your Company was at a reduced level as compared to FY20. This activity was of strategic importance to contribute to a range of products and profitability.

## Financial Performance in FY 20-21

The Company's performance was impacted in Q1 of the year but we were able to recover strongly and closed the year with a satisfactory performance.

- ☞ The revenue stood at ₹2,038 Cr for FY21. Retail revenue contributed to 58% of the overall sales which is 3% more in percentage terms as compared to the previous year FY 20.
- ☞ EBITDA was at ₹77 Cr for FY21. It may be noted that in Q1 of FY21 the EBITDA was (₹9 Cr). There was a substantial recovery over the next 3 quarters to close the year on a positive note.
- ☞ PAT stood at ₹-14 Cr for FY21. The year started with a loss of ₹25 Cr for Q1. The strong recovery by the year end validates the strategic actions taken by your Company. However it needs to be noted that in absolute terms there has been a significant drop in PAT of ₹26 crores in FY21 over FY20.

(₹ in Crores)

Particulars	FY March, 21	FY March, 20
	<b>Consolidated</b>	
Revenue	2,038	2,640
Retail (%)	58%	55%
EBITDA	77	122
Margin	3.8%	4.6%
PBT	20	53
PAT	14	40
Margin	0.7%	1.6%

## Key performance highlights

The overall performance for the financial year was understandably subdued as compared to the previous year FY20. This was primarily due to the pandemic and the lockdowns which substantially affected sales in Q1 and to a lesser extent in Q2 of the year. It reflects well on the management that when the economy opened up, they were geared to improve the financial situation.

Sales in Q1 was ₹346 Cr and there was a net loss of ₹25 Cr. There was an immediate turnaround in Q2 where sales was at ₹488 Cr and a net profit of ₹6 Cr. This improvement was continuous and the sales of Q3 and Q4 were ₹562 Cr and ₹642 Cr respectively. Net profits continued to improve and your Company ended the year on a positive note with a PAT of ₹14 Cr. And in these trying times Shankara gave utmost importance to cash flows and I am happy to tell you that your Company was able to generate net operating cash flow of ₹133 Cr.

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## The way forward

We had thought that the worst of the pandemic was behind us at the end of FY21. Unfortunately the second wave commenced in April 21 and there have been lockdowns imposed in various parts of the country. Fortunately your Company was on alert and did believe that India and the World would have to live with Covid 19 for a few more years. The prudent and conservative measures that the Company implemented over the course of last year will hold in good stead for the coming financial year.

The construction industry is a corner stone for the success of any economy. Building materials play a key role in this industry. We have observed that despite lockdowns, construction and the building material segment are amongst the first businesses to open for commercial activity.

Shankara will be back on a growth path in the coming year once the current lockdown is removed. We will be continuing our focus on the retail segment while strongly believing that all our business verticals contribute strategically to the continuing growth of our Company.

## Conclusion

I am happy to note that your Company took utmost care to maintain Covid protocols throughout the year. I would like to convey my deepest appreciation to all our employees. They have stood by the Company in these trying times. My sincere thanks and appreciation to my fellow Directors on the Board for their guidance and constant encouragement. My gratitude to our bankers, customers and suppliers. On behalf of the Shankara Board, I also thank you all, our valued shareholders, for your continued support.

Warm Regards

**V. Ravichandar**  
Chairman



## Notice of 26<sup>th</sup> Annual General Meeting

Notice is hereby given that the twenty-sixth Annual General Meeting of Shankara Building Products Limited will be held on Thursday, 29th July, 2021 at 11.00 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, 2021 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, 2021 together with Report of Auditors thereon.**

To consider and if thought fit, to pass, the following as an **Ordinary Resolution**:

**"RESOLVED THAT** the audited standalone financial statements of the Company for the financial year ended March 31, 2021 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, 2021 together with the report of Auditors thereon laid before this meeting, be and are hereby considered and adopted."

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

To consider and if thought fit, to pass, the following 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 26th 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."

### Special Business:

**Item No. 3- To consider and approve re-appointment of Mr. Sukumar Srinivas (DIN: 01668064) as Managing Director of the Company upon terms and conditions set out in this notice**

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 & 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V of the Act and Regulation 17(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, including any statutory modifications or re-enactments thereof for the time being in force and based on the recommendation of Nomination and Remuneration Committee of the Company and subject to such sanctions as may be necessary, the consent of members be and is hereby accorded for re-appointment of Mr. Sukumar Srinivas (DIN: 01668064), as Managing Director ('MD') of the Company for a period of five years with effect from 01/04/2021 not liable to retire by rotation, upon the terms and conditions set out in the statement annexed to the Notice convening this meeting, including the remuneration to be paid on such terms and conditions as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company and as set out in the explanatory statement annexed to the Notice convening this Meeting.



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**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 Board of Directors 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. 4 - To consider and approve re-appointment of Mr. C. Ravikumar (DIN: 01247347) as Whole-time Director of the Company upon terms and conditions set out in this notice.**

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 & 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V of the Act and Regulation 17(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, including any statutory modifications or re-enactments thereof for the time being in force and based on the recommendation of Nomination and Remuneration Committee of the Company and subject to such sanctions as may be necessary, the consent of members be and is hereby accorded for re-appointment of Mr. C. Ravikumar

(DIN: 01247347), as Whole-time Director (‘WTD’) of the Company for a period of five years with effect from 01/04/2021 not liable to retire by rotation, upon the terms and conditions set out in the statement annexed to the Notice convening this meeting, including the remuneration to be paid on such terms and conditions as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company and 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 Board of Directors 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**

**Place:** Bengaluru  
**Date:** June 10, 2021

**Ereena Vikram**  
Company Secretary  
& Compliance Officer



## Notes:

1. In view of the Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated 5th May, 2020 read with circulars dated 8th April, 2020 and 13th April, 2020 (collectively referred to as “MCA Circulars”) permitted holding of the Annual General Meeting of companies through Video Conferencing or Other Audio Visual Means (“VC / OAVM”), without physical presence of the Members at a common venue and Circular no. 02/2021 dated January 13, 2021 in relation to “Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)” (collectively referred to as “MCA Circulars”) and Securities and Exchange Board of India (“SEBI”) vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 in relation to “Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 – Covid-19 pandemic” and circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 in relation to “Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to the Covid -19 pandemic” (collectively referred to as “SEBI Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars and SEBI Circulars, the AGM of the members of the Company is being held through VC / OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.

2. The explanatory statement pursuant to Section 102 of the Companies Act, 2013, setting out material facts under Item No.’s 2 to 4 of the Notice of the 26th 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 26th 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 26th AGM through VC/OAVM facility and e-voting during the 26th AGM. Scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the 26th AGM on its behalf and to vote through e-voting or during the 26th 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. 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 26th AGM and a facility for those Members participating in the 26th AGM, to cast vote through e-voting system during the 26th 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 22, 2021.

5. Kfin Technologies Private Limited (“Kfintech”), the Registrar & Transfer Agents (RTA) of the Company, will be providing the facility for participation in the 26th AGM through VC/OAVM and e-voting during the 26th AGM. The procedure and instructions for participating in the 26th AGM through VC/OAVM and remote e-voting at the 26th AGM are provided as part of this Notice.

6. In line with the MCA Circulars and SEBI Circulars, the Notice of the 26th 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 Kfintech at <https://evoting.kfintech.com/>

7. Since the 26th AGM will be held through VC/OAVM, the Route Map is not annexed to this Notice.