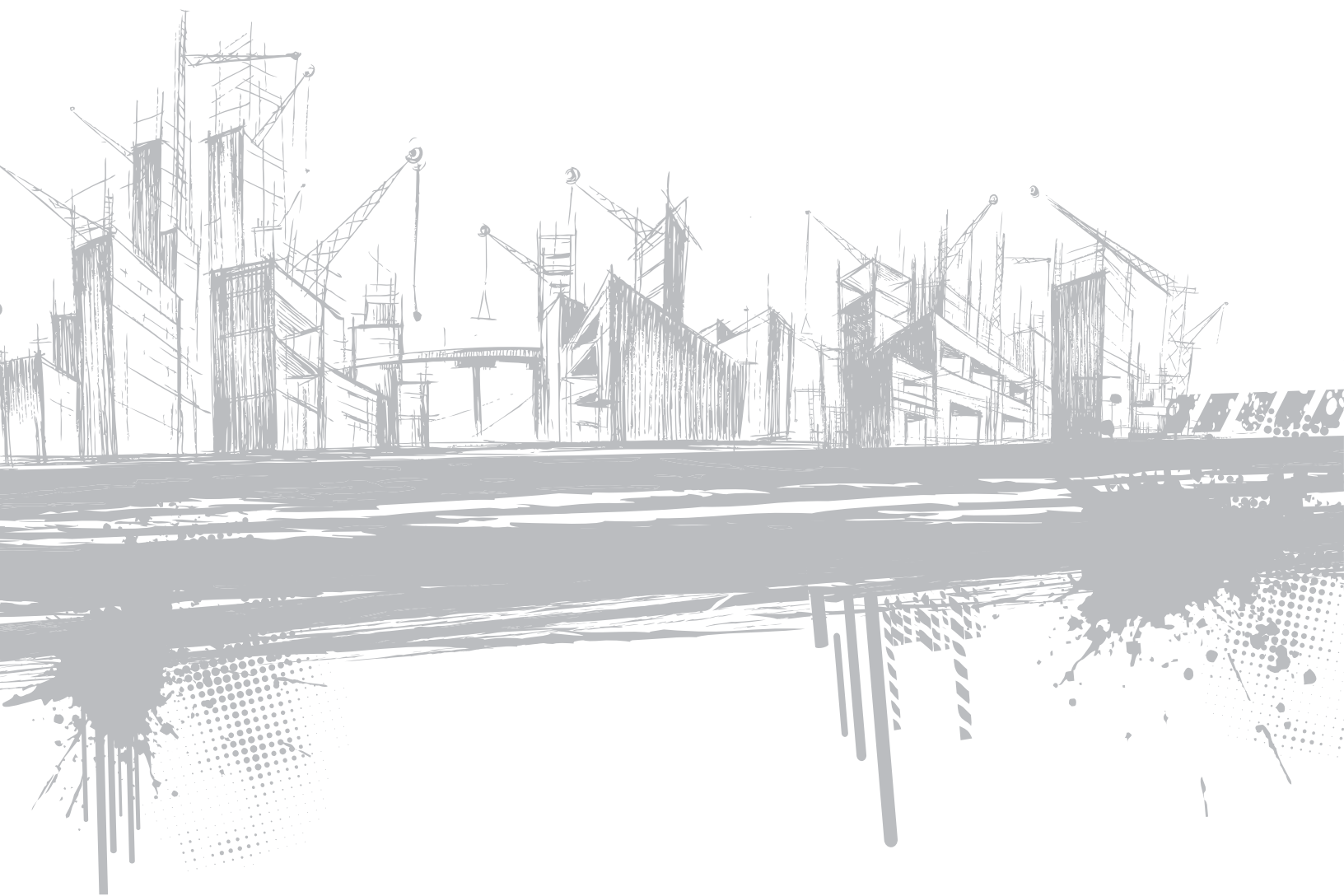


Shankara

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

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
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
	Consolidated	
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 27th 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 with a copy to evoting@kfintech.com and 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 on the websites of BSE Limited at www.bseindia.com, the National Stock Exchange of India Limited at 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