

Date: 14th August, 2020

To
Department of Corporate services
BSE Limited
1st Floor, New Trading Ring,
Rotunda Building, Phiroze Jeejeebhoy
Towers, Dalal Street, Fort,
Mumbai-400001
Scrip Code: - 540425

To
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C-1,
G Block, Bandra Kurla Complex,
Bandra (E)
Mumbai- 400051
Symbol- SHANKARA

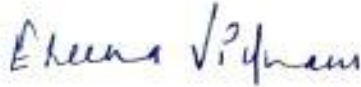
Subject: Proceedings of Annual General Meeting (AGM)

Pursuant to Regulation 30, Part A, Schedule III of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we enclose herewith brief proceedings of Annual General Meeting (AGM) of the Company held on Thursday, 30th July, 2020 at 11:30 a.m. held through Video Conferencing and other Audio Visual Means.

This is for your information and record.

Thanking You,

For **Shankara Building Products Limited**



Ereena Vikram
Company Secretary & Compliance Officer



Encl: As above

SHANKARA BUILDING PRODUCTS LIMITED

Minutes of the Twenty Fifth Annual General Meeting of the Members of Shankara Building Products Limited held on Thursday, July 30, 2020 at 11.30 AM through Video Conferencing ("VC") and other Audio Visual Means in compliance with the applicable provisions of the Companies Act, 2013, the General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020 and General Circular No. 20/2020 dated May 5, 2020 issued by the Ministry of Corporate Affairs ("MCA") and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("SEBI Listing Regulations").

Directors Present

Mr. V. Ravichandar	:	Chairman, attended through VC from Bengaluru
Mr Sukumar Srinivas	:	Managing Director, attended through VC from Registered Office, Bengaluru
Ms. Jayashri Murali	:	Independent Director, attended through VC from Registered Office, Bengaluru
Mr. B. Jayaraman	:	Independent Director, attended through VC from Registered Office, Bengaluru
Mr. Chandu Nair	:	Independent Director, attended through VC from Chennai
Mr. C Ravi Kumar	:	Whole-time Director, attended through VC from Registered Office, Bengaluru
Mr. R.S.V. Siva Prasad	:	Whole-time Director, attended through VC from Hyderabad

Key Managerial Personnel

Mr. Siddhartha Mundra	:	Chief Executive Officer
Mr. Alex Varghese	:	Chief Financial Officer
Ms. Ereena Vikram	:	Company Secretary

Statutory Auditors

Mr. M. Balasubramaniam Mr. Venkatasubramanian	:	Partner of M/s Sundaram & Srinivasan Chartered Accountants
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Internal Auditor

Mr. V. Madhavan	:	Partner of M/s GRSM & Associates Chartered Accountants
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Secretarial Auditor

Mr. K. Jayachandran : Practicing Company Secretary

Scrutinizer

Mr. S. Kannan : M/s S. Kannan & Associates,
Practicing Company Secretary

Quorum

After ascertaining the requisite quorum being present, the meeting was called to order. The Meeting was attended by 62 members.

The Chairman stated that the Registers as required under the Companies Act were available for inspection by the Members.

The Chairman extended a welcome to the Members present at the 25th Annual General Meeting of the Company. He acknowledged the presence of Chairman of the Audit & Risk Management Committee, Chairman of Stakeholder's Relationship Committee and Chairman of Corporate Social Responsibility Committee at the meeting.

The Chairman informed that in view of the restrictions due to outbreak of COVID-19 and considering the social distancing norms, the AGM was conducted through VC / OAVM. This meeting has been convened and being conducted in accordance with the circulars issued by Ministry of Corporate Affairs and Securities and Exchange Board of India (SEBI). The Chairman informed that the Company had tied up with National Securities Depositories Limited (NSDL) to provide facility for voting through remote e-voting, e-voting during the AGM and participation in the AGM through VC / OAVM facility.

With the consent of the Members present, the Notice convening 25th Annual General Meeting of the Company as well as the Auditors Report on both standalone and consolidated audited financial statements of the Company for the year ended 31st March, 2020 were taken as read as the same had already been circulated to the Members. As there were no qualifications in the Audit Report, it was not required to be read.

Chairman's Statement

Thereafter, the Chairman read out his statement addressed to the Members.

In these grim times for the World, we have some glad tidings. This is our Silver Jubilee and it gives me immense pleasure to welcome you to our 25th Annual General Meeting.

We started our Company in 1995 with a focus on enterprise customers, OEMs and SMEs, as a provider of steel products. We scaled this business and in 2003 started our channel business when our turnover was around Rs. 100 crores. We aligned with leading brands from the Tata Steel stable and built a wide reach. In 2006, we forward integrated our business by opening the first retail outlet in Bangalore. In 2010, backward integrated into steel processing through greenfield and brownfield projects. In 2015, with a view to further expand our customer base and revenue possibilities, we expanded the scope of our retail outlets to include the entire range of building products.



One of the common themes running through each of these maneuvers has been exploring adjacencies, be it in terms of products, geographies, customer segments or business verticals. This allowed us to focus sharply on these segments and bring in better efficiencies. We have created an organization with unique capabilities and employees with multiple skills. We have been a disruptor in the organized building material retail industry – merging multiple vertical industry segments into one horizontal. However, it has also come with its own learnings, particularly during the last two years.

Consolidation

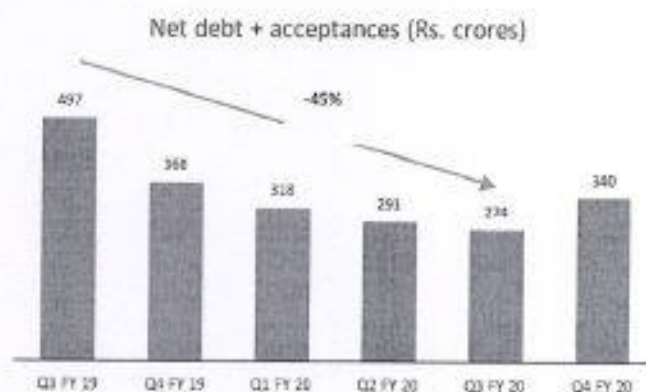
Upheavals in some segments of the market led us to introspect and realign our priorities. Multiple disruptions like the financial situation arising out of the NBFC crisis and the liquidity crunch among our customers made a bad situation worse. We went back to basics and focused on marketing and trading, our key strengths.

We took swift action and sold a substantial processing asset in Hyderabad. Debt reduction was a goal too. The impact of that sale has been very positive for strengthening our balance sheet. It also released management bandwidth to focus on our higher profitability business segments.

We chose to shut down some of our marginal stores and conserved capital. We further intensified our efforts on the steel business as it forms the foundation for us to scale the product range. We posted a strong recovery in our sales and profitability in the second half of the financial year 2019-20. As for most of the Indian economy, the Covid-19 pandemic created uncertainties and undermined our performance and cash flows in the month of March 2020.

Reduction in borrowings

Our key focus last year was to reduce borrowings. We considered the aggregate of bank borrowings and acceptances as a part of this reduction measure. We halved the overall debt and acceptance levels by Q3 FY 19-20. However, operations lockdown in March, 2020 impacted our ability to liquidate inventory and collect receivables. The following graph provides more details on the sequential debt reduction we have achieved during the last six quarters.



Financial performance in FY 19-20

The company recorded strong growth in profitability in FY 19-20 with PAT growing by 48%.

The table below captures the key consolidated financials of the continuing operations of the Company, post the sale of Hyderabad processing unit.



- The overall revenues stood at Rs. 2,640 crores for FY 20. Retail revenues contributed to 55% of overall revenues.
- EBITDA grew by 18% and stood at Rs. 122 crores. Growth in EBITDA was aided by reduction of corporate overheads between FY 19 and FY 20.
- PBT stood at Rs. 53 crores representing a growth of 28%. Lower interest costs boosted the PBT levels.
- The Company adopted Ind AS 116 for FY 20. On account of this, our PBT was reduced by Rs. 112 lacs for FY 20. Comparatives for the corresponding period in FY 19 have not been restated.
- PAT from continuing operations grew by 48% for the year and stood at Rs. 42 crores. Lower corporate taxes helped reduce the tax incidence and increased the reported PAT.

(₹)In Crores	FY 19	FY 20	Growth
Total Revenue	2,546	2,640	4%
Retail%	56%	55%	
EBITDA	104	122	18%
Margin	4.1%	4.6%	
PBT	42	53	28%
PAT	28	42	48%
Margin	1.1%	1.6%	

Key performance highlights

One of the key highlights of the previous year was our return to double digit growth which started in the second half of FY 20. During Q3 FY 20, our revenues grew by 21%. We were on track for similar growth numbers for Q4 FY 20 as well till the lockdown happened.

Cost containment has also been one of our key focus areas. We have realigned our backend warehousing and frontend stores in many regions. Employee costs have also come down. Other corporate overheads have also been reduced. Interest costs have also come down on account of the reduction in debt levels.

We are happy to state that the retail segment margins stood at 8.02% for FY 20. This is beyond the higher end of 6% to 8% band we had guided earlier.

Business mix

Retail segment is a growth vertical for us and now forms 55% of our revenues. The channel and enterprise business continue to be strategic verticals and we will continue to focus and grow these verticals. However, the focus will be on running this business on optimal inventory levels to contain overall working capital needs for the segment.

Customer focus

A large part of our business comes through repeat customers and references. We are happy to have satisfied their requirements through adequate material availability and timely delivery. As



we build on our basket of products, customer centricity continues to be an ongoing endeavor. We are also building new avenues of reaching our customers like the online ecommerce channel.

We have built a large supplier base and are among the largest trade partners for many leading brands on an all India basis. We continue to work towards strengthening our relationships with them.

Opportunity

The opportunity is large and the runway for growth significant. There is no other player in the building material industry of our scale, product basket and geographic spread. We remain focused on building a strong and unique business in our chosen area.

However, events like COVID-19 create near terms challenges for us and the industry. Building material industry is amongst the largest employers in the country. We believe that the steps taken by the government to contain the spread as well as stimulus measures will help the industry. Lower oil prices and interest rates will also aid the Indian economy. We are hopeful that the building material industry will bounce back once the situation stabilizes.

Conclusion

I convey my deepest appreciation for the effort of all our employees. My sincere thanks and appreciation to our fellow Directors on the Board for their guidance. 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.

At the request of the Chairperson, the Chief Executive Officer gave the presentation on Business Highlights.

The Company Secretary informed the Members that as pursuant to the provisions of the Companies Act, 2013 and SEBI listing Regulations, 2015, the Company had extended the remote e-voting facility to the Members of the Company in respect of the resolutions to be passed at the Meeting. The Company Secretary informed the Members that the facility for voting through e-voting system was made available during the Meeting for Members who had not cast their vote prior to the Meeting.

The Company had appointed Mr. S. Kannan Practicing Company Secretary as scrutinizer to scrutinize the votes cast at the meeting and through the remote e-voting.

The following items of business as stated in the notice were taken up for consideration.

Item No	Description	Type of resolution
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2020 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, 2020 together with Report of Auditors thereon.	Ordinary Business Ordinary resolution



2.	To re-appoint Mr. RSV. Siva Prasad (DIN: 01247339), Director of the Company who retires by rotation and being eligible, offers himself for re-appointment as a Director.	Ordinary Business Ordinary resolution
3.	To re-appoint Ms. Jayashri Murali (DIN: 00317201) as an Independent Director of the Company	Special Business- Special resolution
4.	To re-appoint Mr. Chandu Nair (DIN: 00259276) as an Independent Director of the Company	Special Business- Special resolution

On the invitation of the Chairman, Members who had registered themselves as speakers, addressed the Meeting through VC/OAVM and sought clarifications on the Company's accounts and business. The Chairman responded to the queries of the Member and provide clarifications.

Thereafter, the Chairman announced for voting to be taken electronically (e-voting).

The Chairman announced that the e-voting results along with the Scrutinizer's Report shall be informed to Stock Exchanges and also be placed on the website of the Company. The meeting concluded at 12.30 p.m. after being open for 15 minutes for e-voting to be completed.

Post completion of the Annual General Meeting, after scrutiny of votes the Scrutiniser submitted his Report. As per the report submitted by the Scrutiniser considering the consolidated results of the remote e-voting held prior and e-voting during the AGM, all resolutions (Ordinary) embodied in the Notice of Annual General Meeting dated 10th June, 2020 were passed with requisite majority.

