

**SHANKARA BUILDING PRODUCTS LIMITED**

**VIGIL MECHANISM (WHISTLE BLOWER POLICY)**

## 1. PREFACE

Shankara Building Products Limited (the “**Company**”) believes in the conduct of the affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour.

The Company is committed to developing a culture where it is safe for all employees to raise concerns about any poor or unacceptable practice and any event of misconduct.

Sections 177 (9) and 177(10) of the Companies Act, 2013, as amended (the “**Companies Act**”) read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended and Regulation 4(2)(d)(iv) and Regulation 22 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “**SEBI Listing Regulations**”), *inter-alia*, require the Company to establish a vigil mechanism by way of ‘Whistle Blower Policy’, for its employees and directors to report instances of unethical practices, illegal activities and / or actual or suspected fraud or violation of the Company’s code of conduct or ethics policy (this “**Policy**”).

The purpose of this Policy is to provide a framework to enable stakeholders, including individual Employees (defined hereinafter) and Directors, to freely communicate their concerns about serious irregularities and any unethical practices within the Company.

This Policy neither releases Directors and Employees from their duty of confidentiality in the course of their work, nor is a route for taking up a grievance about a personal situation.

This Policy has been constituted pursuant to the stated provisions of the Companies Act and provides for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases and ensures that the Whistle Blower is provided with adequate safeguards against victimization.

## 2. EFFECTIVE DATE

This Policy shall be effective from **19<sup>th</sup> September, 2016**

## 3. POLICY

- This Policy is applicable to the Directors and the Employees of the Company.
- This Policy has been drawn up to enable the Directors and Employees or their representative bodies to report instances of any improper/unethical behaviour/act in relation to the matters concerning the Company. The areas of concern covered by this Policy are summarized in paragraph 4 below.

## 4. DEFINITIONS

The definitions of some of the key terms used in this Policy are given below:

- a) “**Audit Committee**” means the Audit Committee constituted by the Board of Directors in accordance with Section 177 of the Companies Act read with Rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 8 of the SEBI Listing Regulations and is being authorized to oversee the vigil mechanism of the Company;
- b) “**Board of Directors**” means the board of directors of the Company, as constituted from time to time;
- c) “**Concerned Authority**” means the Chairman of the Audit Committee of the Board of Directors;
- d) “**Director**” means a director appointed on the Board of Directors;
- e) “**Employee**” means every employee (probationer, confirmed and outsourced) of the Company, including executive Directors of the Company;
- f) “**Improper / unethical behaviour / act**” for the purpose of this policy means and includes suspected or alleged illegal, false, misleading, dishonest, deceptive, unethical, corrupt or unconscionable conduct, practice, act or activity and also include other acts pertaining to breach of policy / misappropriation / harassment etc. which could also be part of any code of conduct and malpractices policy in place;
- g) “**Protected Disclosure**” means any communication made in good faith to disclose information that evidences an improper / unethical behaviour; protected disclosure shall be factual and not speculative in nature;
- h) “**Subject**” means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation; and
- i) “**Whistle Blower**” shall mean a person (including an artificial person) who makes a Protected Disclosure under this Policy. He / she are neither an investigator nor a finder of facts, nor does he / she determines the appropriate corrective or remedial action that may be warranted.

## 5. SCOPE OF THE POLICY

This Policy covers actual or suspected malpractices, illegal activities and instances as indicated under the illustrative list below and allows the Whistle Blower to report the same to the Concerned Authority(ies):

- a) Misrepresentation of facts or falsification of records / reports of the Company;
- b) Misuse of Company assets / funds; (e.g. forged bills, personal use of company assets etc.);
- c) Pilferage of confidential information to advance personal interests;
- d) Dual employment directly or indirectly, affecting the interest of the Company;
- e) Any undue favour to customer(s) for personal gains; (e.g. forging of documents, deliberately hiding important facts, etc.);
- f) Misuse/taking undue advantage of functional procedural lapse, including misrepresentation of the facts;
- g) Indulgence in any unlawful act involving violation of any criminal law/ civil law / legislations;
- h) Abuse of power or authority for any unauthorized or ulterior purpose;

- i) Unfair discrimination, coercion, harassment in the course of employment or provision of services;
- j) Breach of Company policy;
- k) Manipulation of Company's data / records; and
- l) Dangerous practice(s) likely to cause physical harm / damage to any person / property.

However, the above should be supported by proper evidence and reliable information. Care should be taken not to indulge in baseless allegation and should not be used in place of the Company's grievance procedures or be a route for raising malicious or unfounded allegations against colleagues.

If a complaint, after an investigation proves to be frivolous, malicious or made with an ulterior intent, the Audit Committee shall take appropriate disciplinary against the concerned Whistle Blower.

Any Employee and / or Director, knowingly hiding information in any form regarding any unethical behaviour in one's work place will also constitute unethical practice on the Employee's part.

## **6. DISQUALIFICATIONS**

- a) While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment as set forth herein , any abuse of this protection will warrant disciplinary action.
- b) Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle Blower knowing it to be false or bogus or with a mala fide intention.
- c) Whistle Blowers, who make three (3) or more Protected Disclosures, which have been subsequently found to be frivolous, baseless or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy.

## **GUIDELINES**

- a) Reporting under this Policy is critical for early detection, proper investigation and remediation and deterrence of violations of Company policies or applicable laws and regulations.
- b) The Company shall maintain the confidentiality of the Whistle Blower and ensure to provide complete protection from any kind of unfair treatment for disclosing in good faith any unethical or improper practices or alleged wrongful act. The Company will ensure that the Whistle Blower or any other person, processing, investigating or assisting in the investigation of the Protected Disclosure is not victimized. The Whistle Blower may, under this Policy, have direct access to the Chairman of the Audit Committee in appropriate or exceptional cases.
- c) A Whistle blower shall not be at a risk of suffering any form of unfair treatment, reprisal or retaliation (includes discrimination, harassment or vengeance in any manner). However, incidents of retaliation, if any, against the Whistle Blower or person investigating the matter or assisting in the investigation would be taken seriously by the Company and will result in appropriate disciplinary action against the official(s) responsible. The Company would take steps to minimize difficulties which the Whistle Blower may experience as a result of the Protected Disclosure.
- d) In case any member of the Audit Committee has a conflict of interest in any given matter reported to the Audit Committee, the said member should not participate in the discussion / investigation

relating to the said matter/s. The remaining members of the Audit Committee shall be authorized to deal with the said matter/s.

## **7. PROCEDURES FOR REPORTING PROTECTED DISCLOSURES**

a) The Protected Disclosures shall be made in writing and addressed to :

“The Chairman of the Audit Committee,  
Shankara Building Products Limited  
No. 133, Farah Windsford  
Infantry Road, Bangalore 560 001”

b) In the event the Chairman of the Audit Committee has a conflict of interest in relation to a Protected Disclosure received by him, the Chairman of the Audit Committee shall recuse himself from the matter and forward such Protected Disclosure to other members of the Audit Committee. The Audit Committee shall then nominate another member of the Audit Committee to exercise the role of the Chairman as set out in this Policy in relation to such Protected Disclosure.

c) The Protected Disclosures expressed anonymously will not be investigated.

## **8. INVESTIGATION PROCESS**

a) On receipt of the Protected Disclosure, the Concerned Authority may appoint / authorize an investigator / group of investigators or department personnel to investigate into such acts. The Concerned Authority may, depending on the Protected Disclosure received, outline the detailed procedure and scope for the conduct of such investigation.

b) The identity of the Whistle Blower and the Subject shall be kept confidential unless otherwise required by law, in which case the Whistle Blower would be informed prior to any disclosure.

c) The Subject shall be informed of the allegation at the time when the Concerned Authority on their preliminary review of the matter determine that the Protected Disclosure made needs to be investigated further and shall also be provided with an opportunity of being heard during the investigation.

d) The Concerned Authority shall have the right to call for information / document and / or examination of any Employee (including the Subject and Whistle Blower) as they may deem necessary in the process of investigation.

e) It is expected that the Subject co-operates with the Concerned Authority or the authorized person appointed to conduct investigation. The Subject shall not interfere in the investigation process by non-cooperation, *mala fide* intent, undue influence or tampering record / evidence.

f) The Subject will have the right to be informed of the outcome of the investigation.

g) The Concerned Authority shall use best efforts to complete the investigation within thirty days of the receipt of the Protected Disclosure.

## **9. DECISION**

If an investigation leads the Concerned Authority to conclude that an improper or unethical act has been committed, the Concerned Authority shall recommend to the Board of Directors of the Company to take such disciplinary or corrective action as the Concerned Authority may deem fit. It is clarified that any disciplinary or corrective action initiated against the subject as a result of the

findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.

#### **10. CONFLICT OF INTEREST**

In case the members of the Audit Committee have any conflict of interest, in a given case, such persons shall recuse themselves from the investigation, hearing and decision making on the said complaint and other members on the Audit Committee shall deal with the matter on hand.

#### **11. RETENTION OF DOCUMENTS**

All Protected Disclosures in writing or documented along with the results of investigation relating thereto shall be retained by the Company.

#### **12. AMENDMENTS / MODIFICATIONS**

The Company, subject to applicable law and with the approval of the Audit Committee or the Board of Directors, can, at any time, modify, suspend or rescind, either the whole or any part of this policy.

#### **13. REPORTING AND REVIEW**

A report with number of complaints received under this Policy and their outcome shall be placed by the Concerned Authority before the Audit Committee on a regular basis.

The Audit Committee shall review the functioning of the whistle-blower mechanism created pursuant to this Policy from time to time.

#### **14. DISSEMINATION**

This Policy shall be disclosed on the Company's website and a web link thereto shall be provided in the annual report of the Company. The Policy will be reviewed on an annual basis or as and when warranted due to regulatory requirements.

**DATE: 19<sup>TH</sup> SEPTEMBER, 2016**