

SHANKARA BUILDING PRODUCTS LIMITED

CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT

1. PREAMBLE

Pursuant to Regulation 17(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended (the “**SEBI Listing Regulations**”) it has been obligatory for the board of directors (the “**Board**”) of Shankara Building Products Limited (the “**Company**”) to lay down the code of conduct for all Board members including committees of the Board and senior management of the Company.

The rationale of this code of conduct (the “**Code**”) is to conduct the business of the Company in accordance with the relevant laws, regulations, and rules and with the highest standard of ethics and values. The matters covered in this Code are of utmost importance to the Company, shareholders and other stakeholders of the Company.

2. APPLICABILITY

The Code sets out the standards of principles and practice, which are to be adhered to by:

- (i) The directors of the Company (the “**Directors**”); and
- (ii) The senior management executives of the Company (the “**Senior Management**”)

while performing their duties as the part of the functioning team of the Company.

3. CODE OF CONDUCT

The Directors and the Senior Management shall respect the following code of conduct:

(i) **Honest, Fair and Ethical Conduct:**

The Directors and Senior Management will act in the best interest of and fulfill their fiduciary obligations to the shareholders of the Company. They will strive to perform their duties according to the highest ethical standards of honesty, fairness, integrity, accountability, confidentiality, legality and independence.

They will lead themselves in professional and courteous manner. They will act fairly towards the stakeholders viz, shareholders, creditors, Government, employees, customers and the general community at large by adhering to the standards of health, safety and equity legislation.

(ii) **Board Culture**

The Directors of the Company will make available and share the information relating to the affairs of the Company among the members of the Board to ensure efficient functioning of the operations of the Company. Further, the members of the Board shall ensure that transparent and responsible board culture exists in the organization.

(iii) **Conflicts of Interest**

The Directors and Senior Management of the Company shall avoid actual and apparent conflicts of interest. They will disclose their interest in the contracts entered by the Company, if any. Further, the Directors and Senior Management of the Company shall ensure that any other business or personal association which they may have does not involve any conflict of interest with the operations of the Company and his / her role therein.

A conflict of interest exists where the interests or benefits of one person or entity conflict with the interests or benefits of the Company.

(iv) **Confidential Information**

The Directors and Senior Management will respect the confidentiality of the information acquired during the course of their service and in their capacity as officials of the Company.

Confidential information includes all non-public information that might prejudice the ability of the Company to pursue certain objectives, be of use to competitors or harm the Company, its suppliers or its advertisers, if disclosed. Confidential information also includes any information relating to the Company's business and affairs that results in or would reasonably be expected to result in a significant change in the market value of the Company's securities or any information a reasonable investor would consider important in making an investment decision. Directors/Senior Management must not use confidential information for their o

own advantage or profit directly or indirectly.

(v) Corporate Opportunities:

The Directors and Senior Management will not:

- Take for themselves personally, opportunities that are discovered through the use of Company's property, information, or position.
- Compete directly with the business of the Company or with any business that the Company is considering.
- Use Company's property, information, or position for personal gain.

(vi) Compliance with Laws, Rules and Regulations:

The Directors and Senior Management will comply with all relevant laws, rules and regulations while performing their duties and responsibilities.

Transactions, directly or indirectly, involving securities of the Company should not be undertaken without pre-clearance from the Company's compliance officer, and in compliance of the Code of Conduct for Prohibition of Insider Trading and the Securities and Exchange of India (Prohibition of Insider Trading) Regulations, 2015. Any director, officer or employee who is unfamiliar or uncertain about the legal rules involving Company business conducted by him/her should consult the legal department of the Company.

4. DUTIES OF INDEPENDENT DIRECTORS OF THE COMPANY

The independent directors shall:

- undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the Company;
- strive to attend all meetings of the Board and committees of which he is a member;
- participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- strive to attend the general meetings of the Company;
- where they have concerns about the running of the Company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- keep themselves well informed about the Company and the external environment in which it operates;
- not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the Company;

- ascertain and ensure that the Company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
- acting within his authority, assist in protecting the legitimate interests of the Company, shareholders and its employees; and
- not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

5. VIOLATIONS OF THE CODE

Violations of this Code will result in disciplinary action. The Board or any committee/person designated by the Board for this purpose shall determine appropriate action in response to violations of this Code.

6. AMENDMENTS TO THE CODE

The provisions of this Code can be amended/ modified from time to time by the Board and all such amendments/ modifications will take effect from such date as stated therein.

7. PLACEMENT OF THE CODE ON COMPANY'S WEBSITE

This Code and amendments thereto shall be hosted on the website of the company.

8. ANNUAL COMPLIANCE REPORTING

All members of the Board and Senior Management shall affirm compliance with this Code on an annual basis.

DATE: 19TH SEPTEMBER, 2016