

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
SHANKARA BUILDING PRODUCTS LIMITED
G-2, Farah Winsford, No.133, Infantry Road,
Bangalore – 560001, Karnataka

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SHANKARA BUILDING PRODUCTS LIMITED** having CIN: **L26922KA1995PLC018990** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts and statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its Officers, Agents and Authorized Representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the Audit Period covering the Financial Year ended on March 31, 2025 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company for the Financial Year ended on March 31, 2025 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and there were no External Commercial Borrowings during the period under review;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (Not applicable to the Listed Entity during the Review Period);
 - (d) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (Not applicable to the Listed Entity during the Review Period);
 - (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (f) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (g) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (Not applicable to the Listed Entity during the Review Period); and

- (i) The Securities and Exchange Board of India (Buyback of Securities), Regulations, 2018 (Not applicable to the Listed Entity during the Review Period).
- (vi) There were no other specific laws, norms, or directions exclusively applicable to the Company, apart from the relevant labour laws and the general laws applicable to all companies.

I have also examined compliance with the applicable clauses of the following:

- (i) The Listing Agreements entered into by the Company with BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE");
- (ii) Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India ("ICSI").

During the period under review, the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above.

I further report that:

Based on the information provided by the Company, its Officers and Authorized Representatives, during the conduct of the Audit and also on the review of the Details, Records, Documents and Papers provided, in my opinion, adequate systems and processes and control mechanism exists in the Company to monitor and to ensure compliance with applicable General Laws like Labour Laws, Competition Law and Environmental Law.

The compliance with applicable financial laws, including direct and indirect tax laws, has not been reviewed as part of this audit, since the same are subject to review by the statutory auditors and other designated professionals.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Women Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices were given to all the Directors to schedule the Board Meetings, Agenda and detailed Notes on Agenda were sent at least Seven Days in advance and Independent Director was present wherein the Board meetings were held at a shorter notice to transact urgent matters and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions were carried out with requisite majority and the dissenting members' views are captured and recorded as part of the minutes.

There were adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period:

1. The Company has entered in to related party transactions during the Financial Year and has considered all the related party transactions were on arm's length basis in the ordinary course of business and the Company has obtained necessary approvals from the Audit Committee and the Board of Directors for those related party transactions which were not in the Ordinary Course of Business.
2. The Company, Shankara Building Products Limited (Demerged Company / Applicant Company No.1), jointly with Shankara Buildpro Limited (Resulting Company / Applicant Company No.2), filed a first motion application bearing C.A.(CAA) No.38/BB/2024 before the Hon'ble National Company Law Tribunal, Bengaluru Bench on August 19, 2024, under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, for the proposed Scheme of Arrangement involving the demerger of a business undertaking. In pursuance of the directions of the Hon'ble Tribunal, the meeting of the Equity Shareholders of the Demerged Company was duly convened on February 12, 2025 at 11:00 A.M. at the registered office of the Demerged Company, and the approval of the shareholders was obtained for the proposed Scheme of Arrangement. Thereafter, in accordance with the said order, the second motion petition was filed before the Hon'ble Tribunal. The petition has been admitted and listed for hearing.

3. The term of M/s. Sundaram & Srinivasan, Chartered Accountants (Firm's Registration No. 004207S), as the Statutory Auditors of the Company, concluded at the end of the 29th Annual General Meeting held on June 21, 2024. Upon completion of their first term, they retired and subsequently, M/s. Sundaram & Srinivasan, Chartered Accountants, were re-appointed as the Statutory Auditors of the Company for a second term of five (5) consecutive years, commencing from the conclusion of the 29th Annual General Meeting.

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Date: 16/05/2025

Place: Bengaluru

K. Jayachandran

Company Secretary

ACS No.: 11309/CP No.: 4031

UDIN: A011309G000355983

Peer Review No: 6411/2025

Annexure A

To,
The Members,
SHANKARA BUILDING PRODUCTS LIMITED
G-2, Farah Winsford, No.133, Infantry Road,
Bangalore - 560001

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date: 16/05/2025
Place: Bengaluru

K. Jayachandran
Company Secretary
ACS No.: 11309/CP No.: 4031
UDIN: A011309G000355983
Peer Review No: 6411/2025