

**SHANKARA BUILDING PRODUCTS LIMITED**  
**CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF**  
**UNPUBLISHED PRICE SENSITIVE INFORMATION**

## 1. Introduction

1.1 The Securities and Exchange Board of India (“SEBI”) notified the SEBI (Prohibition of Insider Trading) Regulations, 2015, (“**Regulations**”) as amended last on January 21<sup>st</sup>, 2019 effective from 1<sup>st</sup> April, 2019 require every company to inter alia, formulate a code of practices and procedures for fair disclosure of unpublished price sensitive information that it would follow to adhere to the said Regulation.

1.2 Further, pursuant to Regulation 3 (2A) of the said Regulations inserted by SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, the said code shall also contain a policy for determination of “Legitimate purposes”.

The Board of Directors of Shankara Building Products Limited has, accordingly, modified the existing Code of Fair Disclosure (the Code)

1.3 The objective of this Disclosure Code is to ensure timely and adequate public disclosure of unpublished price sensitive information, as defined and understood pursuant to Regulation 2(n) of the Regulations (“**Unpublished Price Sensitive Information**” or “**UPSII**”) that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.

1.4 The provision of this Disclosure Code shall to the extent relevant, be applicable to communications made through any medium, including social media platforms. Words and expressions used and not defined in this Disclosure Code but defined in the Code of Conduct for Prevention of Insider Trading in the Securities approved and adopted by the Board on 19<sup>th</sup> September, 2016, and as amended from time to time (“**Code of Conduct**”) shall have the meanings respectively assigned to them in the Code of Conduct.

## 2. Effective Date

This Code of Conduct shall be effective from **1<sup>st</sup> April, 2019**

## 3. Code of Conduct

3.1 The Board of Directors of Shankara and the board of directors or head(s) of the organisation of every intermediary shall ensure that the Chief Executive Officer or managing director shall formulate a code of conduct with their approval to regulate, monitor and report trading by its designated persons and immediate relatives of designated person towards achieving compliance with these regulations.

3.2 .Shankara, any intermediary and other persons formulating a code of conduct shall identify and designate a compliance officer to administer the code of conduct and other requirements under these regulations.

3.3 The Board of directors or such other analogous authority shall in consultation with the compliance officer specify the designated persons to be covered by the code of conduct on

the basis of their role and function in the organisation and the access that such role and function would provide to unpublished price sensitive information in addition to seniority and professional designation and shall include:-

(i) Employees of Shankara, intermediary or fiduciary designated on the basis of their functional role or access to unpublished price sensitive information in the organization by their board of directors or analogous body;

(ii) Employees of material subsidiaries of such listed companies designated on the basis of their functional role or access to unpublished price sensitive information in the organization by their board of directors;

(iii) All promoters of listed companies and promoters who are individuals or investment companies for intermediaries or fiduciaries;

(iv) Chief Executive Officer and employees upto two levels below Chief Executive Officer of Shankara, intermediary, fiduciary and its material subsidiaries irrespective of their functional role in the company or ability to have access to unpublished price sensitive information;

(v) Any support staff of Shankara, intermediary or fiduciary such as IT staff or secretarial staff who have access to unpublished price sensitive information.”

#### **4 Institutional Mechanism for Prevention of Insider trading.**

4.1 The Chief Executive Officer, Managing Director or such other analogous person of Shankara, any intermediary or fiduciary shall put in place adequate and effective system of internal controls to ensure compliance with the requirements given in these regulations to prevent insider trading.

4.2 The internal controls shall include the following:

a) all employees who have access to unpublished price sensitive information are identified as designated employee;

b) all the unpublished price sensitive information shall be identified and its confidentiality shall be maintained as per the requirements of these regulations;

c) adequate restrictions shall be placed on communication or procurement of unpublished price sensitive information as required by these regulations;

d) lists of all employees and other persons with whom unpublished price sensitive information is shared shall be maintained and confidentiality agreements shall be signed or notice shall be served to all such employees and persons;

e) all other relevant requirements specified under these regulations shall be complied with;

f) Periodic process review to evaluate effectiveness of such internal controls.

- 4.3 The Board of Directors of Shankara and the board of directors or head(s) of the Organisation of intermediaries and fiduciaries shall ensure that the Chief Executive Officer or the Managing Director or such other analogous person ensures compliance with regulation 9 and sub-regulations (1) and (2) of this Regulations.
- 4.4 The Audit Committee of a Shankara or other analogous body for intermediary or fiduciary shall review compliance with the provisions of these regulations at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.
- 4.5 Shankara shall formulate written policies and procedures for inquiry in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information, which shall be approved by board of directors of the company and accordingly initiate appropriate inquiries on becoming aware of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information and inform the Board promptly of such leaks, inquiries and results of such inquiries.
- 4.6 Shankara shall have a whistle-blower policy and make employees aware of such policy to enable employees to report instances of leak of unpublished price sensitive information.
- 4.7 If an inquiry has been initiated by Shankara in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information, the relevant intermediaries and fiduciaries shall co-operate with the Shankara in connection with such inquiry conducted by Shankara.

## **5. Overseeing and Co-Ordinating Disclosure**

- 5.1 The Board shall appoint a senior officer of Shankara who shall be responsible for overseeing the timely and adequate public disclosure of Unpublished Price Sensitive Information as required under this Disclosure Code and the Regulations (“Chief Investor Relations Officer”). In the event that a Chief Investor Relations Officer has not been appointed, and in the absence of the Chief Investor Relations Officer for any reason, the Compliance Officer or such other person as appointed by the Board shall carry out the responsibilities of the Chief Investor Relations Officer as required under this Disclosure Code, and the Regulations.
- 5.2 The Chief Investor Relations Officer shall report to and be answerable to the Compliance Officer.
- 5.3 The responsibilities of the Chief Investor Relations Officer shall include overseeing and co-ordinating the disclosure of price sensitive information to stock exchanges, analysts, shareholders and the media. Routine disclosures to the stock exchanges shall continue to be made by designated officers who have responsibility for making such disclosures.

- 5.4 Any disclosure / dissemination of Unpublished Price Sensitive Information (unless mandated by the Regulations or the Code of Conduct) on behalf of Shankara shall be first approved by the Chief Investor Relations Officer. In the case of doubt as to whether any information is Unpublished Price Sensitive Information or not, the same shall be referred to Chief Investor Relations Officer.
- 5.5 In the event of disclosure / dissemination of Unpublished Price Sensitive Information by a Designated Person without the approval of the Chief Investor Relations Officer, such Designated Person shall inform the Chief Investor Relations Officer about such disclosure / dissemination as soon as possible.
- 5.6 All Unpublished Price Sensitive Information is to be handled on a “need to know” basis, i.e., Unpublished Price Sensitive Information should be disclosed only to those within and outside Shankara who need to know such Unpublished Price Sensitive Information to discharge their duty and whose possession of such unpublished price sensitive information will not give rise to a conflict of interest or appearance of misuse thereof.

## **6. Responding to Market Rumours**

- 6.1 Any query or request for verification of market rumours received from stock exchanges, the press, the media or any other source received by a Designated Person shall ordinarily be directed to the Compliance Officer who will also be deemed to be the Investor Relations Officer. The Compliance Officer along with the Designated Person shall consult with the Board of Directors in this regard.
- 6.2 If deemed necessary by the Compliance Officer, he/she shall make a public announcement for verifying or denying the rumours and thereafter make appropriate disclosures.
- 6.3 All requests and queries for verifications of market rumours shall be documented as far as practicable. In this regard, the Chief Investor Relations Officer shall request for all queries and requests be made in writing.

## **7. Disclosure/ Dissemination of Price Sensitive Information with Special Reference to Analysts, Institutional Investors**

- 7.1 All Designated Persons shall to the extent required, be invited to the meetings and conferences with analysts and institutional investors, organized by Shankara. Designated Persons for this purpose shall only be KMP, Promoters and Directors.
- 7.2 All Designated Persons shall adhere to the following guidelines while dealing with analysts and institutional investors:
- 7.3 Sharing of non-public information: Investors and analysts should only be given access to generally available information. Designated Persons shall ensure that no Unpublished Price Sensitive Information is shared with analysts and research personnel. However, in the event that any information that is not generally available is provided to an

institutional investor, analyst or researcher then Shankara shall ensure that such information is simultaneously made available to the public as well. In any event, disclosure of any information that is not generally available information (irrespective whether such information is price sensitive or not) shall only be made with the prior approval of the Board.

7.4 Handling of unanticipated questions: Designated Persons shall take extra care and caution while dealing with unanticipated questions during meetings with analysts, brokers, researchers and / or institutional investors. Unanticipated questions should be noted and only be given considered responses (which have been approved by the Compliance Officer). If responding to such unanticipated questions requires dissemination of Unpublished Price Sensitive Information, then the Investor Relations Officer/Compliance Officer shall first disseminate such Unpublished Price Sensitive Information to the public and only subsequently respond to such unanticipated question.

7.5 Simultaneous release of information: In the event that Shankara proposes to organise meetings with analysts, brokers, researchers and / or institutional investors, the Investor Relations Officer/Compliance Officer shall to the extent possible ensure that all such meetings are webcasted on the website of Shankara. In the event that webcasting of meetings referred to above is not possible, the Investor Relations Officer/Compliance Officer shall ensure that Shankaramakes a press release, post relevant information on the website of Shankara, or release relevant information or through any other effective medium.

## **8. Medium of Disclosure/ Dissemination**

8.1 All material disclosures made by Shankarato stock exchanges shall be updated and maintained on its websitei.e.,[[www.shankarabuildpro.com](http://www.shankarabuildpro.com)]