

INSIDER TRADING GUIDELINES

The Securities Exchange Board of India (SEBI) has been issuing regulations in this regard from time to time, defining the 'dos' and don'ts' while dealing in the company's shares and securities by people who are defined as 'Insiders'.

In Feb 2002, SEBI has made certain amendments to the Regulations, which necessitates modifications to the company's guidelines currently in force. The revised guidelines are given below:

- 1 Employees likely to have access to unpublished price-sensitive information ('Relevant Employees') are:
 - a. Directors of the Company and any subsidiary company
 - b. Business/Function Heads
 - c. Financial Controllers
 - d. any other employee of the Company or its subsidiary who because of his or her office or employment is likely to be in possession of unpublished price sensitive information.
- 2 Relevant employees must not deal in, buy or sell or induce other persons to deal in, buy or sell, Company's shares either directly or indirectly on considerations of a short term nature.
- 3 A director or relevant employee must not deal in Company's shares during :
 - a) the period of two months preceding the announcement to Stock Exchanges of Half Yearly Results and Annual Results, and
 - b) from the time the person becomes aware of any unpublished price sensitive information till 24 hours after the information is made public.
- 4 At other times, called "Trading Window", a director or Relevant Employee must not deal in any Company shares without:
 - a) in the case of a director, first advising, through the Company Secretary, the Chairman or, in his absence, the most senior available Executive Director other than himself and receiving clearance. In his own case, the Chairman must first advise, through the Company Secretary, the Chairman of the Remuneration and Nomination Committee or, in his absence, the most senior available Non-Executive Director, other than himself, and receive clearance.
 - b) in the case of other relevant employees, advising the Company Secretary in advance and receiving clearance, which will be valid for a week only.

In addition to obtaining clearance as above, the director or relevant employee must also give an undertaking that he/she does not have access to price sensitive information.

Relevant employees shall hold their investments notified as above for a minimum period of 30 days.

Relevant employees shall forward details of their transactions in company's shares along with their spouse at the time of joining the company/ group and on an annual basis. This disclosure may be made as of 31 March of each year within 30 April of that year.

The requirements under this clause, relating to dealing in the company's shares, shall apply only to those cases where the number/value of shares transacted, i.e., Purchase + Sale, is in excess of 1000 shares of the Company or of a market value of Rs 1 lac, whichever is lower, during a Trading Window. Where any shares are transacted by the Relevant Employees within the number or values as above, the details of such transactions shall be provided to the Compliance Officer within 5 days thereafter, in the format C attached.

5. The following declarations shall be provided by the Relevant Employees to the Company:
 - a) Disclosure of shareholding in format A attached – as on the date of joining the services of the company and as at 31 March every year, within 30 days from the respective dates.
 - b) Details of shares dealt with by the Relevant Employees during April 1 to March 31 of each fiscal year for which no prior permission was required to be obtained, as provided in clause (4) above. These details are to be provided in Format B attached, within 5 days of the transaction as well as on an annual basis for each fiscal year, by 15 April of each year.
 - c) Permission to deal in the company's shares during a Trading Window shall be applied for in Format C, along with a declaration in Format D. The details of actual transactions in terms of the permission shall be reported to the company in Format B attached, within 5 days of the such transaction.
- 6 Directors have a statutory responsibility to declare any transactions involving purchase or sale of Company shares under Section 308 of the Companies Act, 1956. Such declarations may continue to be made to the Company Secretary, giving details of the shares bought or sold, price and whether purchased on the stock exchange or otherwise.

In case of doubt in the interpretation of these guidelines, concerned employees are encouraged to consult the Company Secretary.

The onus of complying with these guidelines and the SEBI Regulations as may be amended from time to time rests entirely on the concerned employees who may be required to confirm/demonstrate compliance from time to time. Breach of these guidelines will invite disciplinary action, including termination of employment.

THE Securities and Exchange Board of India's (SEBI) new regulations on insider trading has made it mandatory for investors to disclose their holding in a company beyond five per cent, for every additional two per cent stake acquired.

In addition, any fall in the holding below five per cent will also have to be disclosed mandatorily, according to the new guidelines.

Earlier regulations had provision for disclosure just after crossing the five per cent for the first time and there was no provision for disclosure if the holding falls below the five-per cent limit.

According to the Section 13 of the Insider Trading Regulations, any person who holds more than five cent shares in any listed company shall disclose to the company the number of shares held and change in shareholding, even if such changes result in shareholding falling below five per cent. If the holding falls below five cent, it has to be disclosed if there has been change in such holdings from the last disclosure made.

Investors will have to continuously disclose acquisition of additional shares every time such acquisition rises by two per cent above the threshold limit of five per cent.

Format D

Date:

To:

The Compliance Officer
Shriram EPC Limited
Chennai-31

From : Name: Employee No: Location:

Dear Sir

Sub: Undertaking

I, am desirous of dealing inshares of Shriram EPC Limited (“The Company”) as mentioned in my application dated for prior approval of the transaction.

In accordance with the applicable regulations and guidelines on Insider Trading, I hereby confirm that:

1. I have no access to nor do I have any information that could be construed as unpublished price sensitive information upto the time of signing this undertaking.
2. In the event that I have access to or received any information that could be construed as unpublished price sensitive information after signing this undertaking but before executing the transaction for which approval is sought, I shall inform the Compliance Officer of the same and shall completely refrain from dealing in the shares of the Company till the elapse of 24 hours from the time such information becomes public;
3. I have not contravened the regulations and guidelines applicable to me in respect of Prohibition of Insider Trading, as may be notified by the Company or SEBI from time to time.
4. I have made full and true disclosure in the matter.

I further confirm that in case the permission is granted, the said shares will be sold/ purchased within 7 days of the date of receipt of permission and the details of such sale and purchase will be intimated to the Company within 5 days from the date of the deal.

I request you to kindly accord the approval as requested.

Thanking you

Yours truly,