

AUTOMOTIVE AXLES LIMITED

WHISTLE BLOWER POLICY

(Revised w.e.f. April 1, 2019)

AUTOMOTIVE AXLES LIMITED

Document Title	Whistle Blower Policy
Originally Framed	August 14, 2014
Current Revision Date	May 13, 2019
Authority approving the Policy	Board of Directors

AUTOMOTIVE AXLES LIMITED

Registered Office: Hootagalli Industrial Area, Off Hunsur Road, Mysore – 570 018

CIN : L51909KA1981PLC004198

www.autoaxle.com

WHISTLE BLOWER POLICY

1. PREFACE:

a. The Company believes in conduct of its affairs in a fair and transparent manner by adopting highest standards of professionalism, integrity and ethical behavior and ensure adherence of these principles across the organization, it has adopted the Code of Conduct to ensure avoiding any conflict of interest. Company takes violation of the Code of Conduct as a matter of serious concern and takes appropriate action against those who violate the same in a fair and transparent manner.

b. The Section 177 of the Companies Act, 2013 and related rules made there under provides for establishment of a vigil mechanism for its Directors and Employees to report genuine concerns or grievances about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. Further, the SEBI (Listing Obligations and Disclosure Requirements), 2015, Listing Agreement entered into by and between the Company and the Stock Exchanges and SEBI (Prohibition of Insider Trading) Regulations, 2015, among other things, also requires companies to establish a mechanism viz. "Whistle Blower Policy" for Directors and Employees to report the instances of unethical behavior, actual or suspected fraud or any violation, leak of unpublished price sensitive information and seek redressal.

c. Accordingly, this Whistle Blower Policy ("the Policy") has been formulated with a view to provide for a mechanism for Directors and Employees of the Company to report any violation of the Code of Conduct and / or laws applicable to the Company.

2. DEFINITIONS:

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

a. "**Alleged Person**" means a person against or in relation to whom a Reported Disclosure has been made or evidence has been gathered during the course of an investigation.

b. "**Audit Committee**" means the Audit Committee constituted by the Board of Directors of the Company in accordance with the applicable provisions of law from time-to-time.

c. "**Code of Conduct**" means the Code of Conduct for the Board of Directors & Senior Management and Employees of the Company.

d. "**Director**" means a person appointed as such as a director on the Board of the Company pursuant to the provisions of the Companies Act, 2013 (as amended) and includes executive Director.

e. "**Employee**" means every employee of the Company (whether working in India or abroad) but excluding the Directors of the Company.



- f. **“Investigating Committee”** or **“Committee”** means a committee constituted by the Audit Committee under the Chairmanship of a Senior Management person. The said Committee shall be required to examine the Reported Disclosures in respect of Employees other than Directors & Senior Management personnel including grievances of Whistle Blower about the victimization allegedly suffered by him / her and suitably report the same to the Audit Committee from time-to-time.
- g. **“Investigators”** mean those persons authorized, appointed, consulted or approached by the Investigating Committee and / or Audit Committee and shall include the HR Department, auditors of the Company and the regulatory authorities.
- h. **“Reported Disclosure”** means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity, actual or suspected fraud, leakage of Unpublished Price Sensitive Information or violation of the Company’s Code of Conduct or violation of laws applicable to the Company.
- i. **“Senior Management”** means personnel of the Company who are the members of the management i.e. one level below the Board of Directors including all functional heads of the Company.
- j. **“Whistle Blower”** means person making a Reported Disclosure under this Policy.
- k. **“Unpublished Price Sensitive Information”** means any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following:
- a. financial results;
 - b. dividends;
 - c. changes in capital structure;
 - d. merger, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions;
 - e. changes in Key Managerial Personnel

3. SCOPE:

- a. This Policy is for Company’s Directors, Senior Management and Employees to report their concerns. The Whistle Blower’s role is that of a reporting party with reliable information. Whistle Blowers are not required or expected to act as Investigators, nor shall they determine the appropriate corrective action that may be warranted in a given case. Whistle Blowers provide initial information related to a reasonable belief that an improper or unethical practice has occurred.
- b. Reported Disclosure will be appropriately dealt with by the Investigating Committee and / or Audit Committee, as the case may be.



4. ELIGIBILITY

All Directors, Senior Management and Employees of the Company are eligible to make Reported Disclosures under the Policy. The Reported Disclosures may be in relation to matters concerning the Company.

5. DISQUALIFICATIONS

- a. While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment as herein set-out, 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 or more Reported Disclosures, which have been found to be mala fide, frivolous, baseless, malicious, or reported otherwise than in good faith, will be disqualified from reporting any further Reported Disclosures under this Policy. In such instances, the Investigating Committee and/ or Audit Committee would reserve its right to take / recommend suitable action against concerned person including reprimand.

6. PROCEDURE

- a. All Reported Disclosures, shall be sent to the Registered office of the Company in a sealed envelope addressed to the HR Department of the Company.
- b. All Reported Disclosures in respect of Employees other than Directors and Senior Management Personnel shall be addressed to the Investigating Committee for investigation. The Investigating Committee shall investigate such cases and recommend appropriate action to the management of the Company in disposing off the Reported Disclosures. In case the Committee finds that any of such Reported Disclosures is appropriate or exceptional case, it may refer the same to the Chairman of the Audit Committee of the Company. All Reported Disclosures related to Directors and Senior Management personnel, shall be addressed directly to the Chairman of the Audit Committee for investigation. Audit Committee shall investigate such cases of Reported Disclosure and recommend appropriate action to the Board in disposing off the Reported Disclosures. In case if any of the members of the Committee or the Audit Committee, as the case may be, have a conflict of interest in a given case such committee member shall not participate in the investigation process and the other members on the Committee or Audit Committee, as the case may be, shall proceed to deal with the matter on hand.
- c. Appropriate care must be taken so that the identity of the Whistle Blower does not get divulged in the process.
- d. Reported Disclosures should preferably be reported in writing so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English, Hindi or in the regional language of the place of employment of the Whistle Blower.
- e. The Investigating Committee and / or Audit Committee shall suitably forward the Reported Disclosure



to the Investigators of the Company, if required for further investigation at their own discretion.

f. Reported Disclosures should be factual and not speculative or conclusive and should contain specific information to allow for proper assessment of the nature and extent of the concern and the urgency of a preliminary investigative procedure.

g. The Whistle Blower must disclose his / her identity in the covering letter forwarding such Reported Disclosure duly signed. The Reported Disclosures without revealing the identity of Whistle Blower or unsigned Disclosures shall not be entertained under this policy.

7. INVESTIGATION

a. All Reported Disclosures reported under this Policy will be thoroughly investigated by the Investigating Committee and / or Audit Committee, as the case may be along with Investigators, if any in accordance with the normal procedure. The Investigating Committee and / or Audit Committee may at its discretion, consider the involvement of any other related group of Employees of the Company for the purpose of investigation.

b. The decision to conduct an investigation is to be treated as a fact-finding process. The outcome of the investigation may not support the conclusion of the Whistle Blower that an improper or unethical act was committed.

c. The identity of an Alleged Person will be kept confidential to the extent possible given the legitimate needs of law and the investigation.

d. Alleged Person will normally be informed of the allegations at the outset of a formal investigation and shall be provided with an opportunity of being heard during the investigation.

e. Alleged Person shall have a duty to co-operate with the Investigators / Investigating Committee / Audit Committee during investigation process to the extent possible.

f. Alleged Person has a right to consult with a person or persons of their choice, except Investigators and / or the Audit / Investigating Committee. This may involve representation including legal representation. Alleged Persons shall be free at any time to engage external legal counsel at their own cost to represent them in the investigation proceedings.

g. Alleged Persons have a responsibility not to interfere with the investigation Evidence shall not be withheld, destroyed or tampered with and witnesses shall not be influenced, threatened by the Alleged Persons. If he / she is found indulging in any such actions will make themselves liable for disciplinary actions. Under no circumstances, Alleged Persons should compel investigator to disclose the identity of the Whistle Blower.

h. Unless there are compelling reasons not to do so, Alleged Persons will be given an opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against an Alleged Person shall be considered as maintainable unless there is credible evidence in support of the allegation.



- i. Alleged Persons have a right to be informed of the outcome of the investigation.
- j. The investigation shall be completed normally within 45 days of the receipt of the Reported Disclosure.
- k. In case any Unpublished Price Sensitive Information is shared or leaked by any person in contravention of the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (the Insider Trading Regulations) and Code of Conduct for Insider Trading of the Company, such instances may be reported to the Chief Financial Officer or Compliance Officer of the Company. Upon receipt of complaint relating to such leakage/suspected leakage of Unpublished Price Sensitive Information, the same would be investigated in accordance with the procedure as detailed in the Code of Conduct for Insider Trading of the Company.

8. PROTECTION

- a. No unfair treatment shall be meted out to a Whistle Blower by virtue of his / her recourse to the vigil mechanism under this Policy. In no case any kind of harassment, victimization or any other unfair employment practice shall be adopted against the Whistle Blowers. Complete protection shall be extended to the Whistle Blowers against any sort of unfair practice. In case, the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistle Blower to receive advice on the procedural compliance, etc.
- b. The Whistle Blower shall be protected from any retaliation, threat or intimidation of termination / suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties / functions including making any further Reported Disclosure.
- c. The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. Whistle Blowers are cautioned that their identity may become known for reasons outside the control of the Investigators / Investigating Committee and / or Audit Committee (e.g. during investigations carried out by Investigators).
- d. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.
- e. In case a Whistle Blower feels that he / she has been victimized in employment related matters because of reporting about any violation / unethical practice, he / she can submit a grievance to the Investigating Committee, giving specific details of victimization allegedly suffered by him/ her for its examination. The Committee will meet at regular intervals to examine Reported Disclosures and such grievances on their merits. The Committee will also conduct necessary investigation of the concern and recommend appropriate actions, as it may deem fit and proper.
- f. The Management will provide appropriate protection to the genuine Whistle Blower, however, the Employees are advised to refrain from lodging frivolous complaints using this facility. If proved, such cases may be referred to the Investigating Committee for disciplinary action.



9. INVESTIGATORS

a. Investigators are required to conduct a process towards fact finding and analysis related to alleged improper or unethical activities. Investigators shall derive their authority and access rights from the Company / Audit Committee / Investigating Committee, while acting within the course and scope of their investigation.

b. Technical and other resources may be drawn upon as necessary to improve the investigation. All investigators shall be independent and unbiased. Investigators have a duty of fairness, objectivity, thoroughness, ethical behavior and observance of legal and professional standards.

c. Investigations will be launched only after a preliminary review which establishes that:

- i. The alleged act constitutes an improper or unethical conduct, and
- ii. Either the allegation is supported by information specific enough to be investigated, or matters that do not meet this standard may be worthy of management review, but investigation should not be undertaken as an investigation of an improper or unethical activity.

10. DECISION

If an investigation leads the Investigating Committee and / or Audit Committee to conclude that an improper or unethical act has been committed, the Investigating Committee and / or Audit Committee shall recommend to the management / Board of the Company to take such disciplinary or corrective action as they deem fit, respectively. It is clarified that any disciplinary or corrective action initiated against the Alleged Person 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.

11. REPORTING

The Investigating Committee shall submit a report on a quarterly basis to the Audit Committee regarding total number of disclosures received in previous quarter, nature of complaint, outcome of investigation, actions recommended – by the Audit Committee, if any and implementation of the same. The Investigating Committee should also report to the Audit Committee the concern raised for victimization for employment related matters by the Whistle Blower and action taken by the Investigating Committee. Such Reports on the above shall be reviewed and recorded by the Audit Committee.

12. RETENTION OF DOCUMENTS

All Reported Disclosures in writing or documented along with the results of investigation relating thereto shall be retained by the Company for a minimum period of seven years.

13. COMMUNICATION OF POLICY

The policy shall be communicated by the Human Resource Department to all the Employees of the Company through circulars etc. Further, the details of establishment of such vigil mechanism through this



policy shall be disclosed by the Company on its website, if any.

14. AMENDMENT

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, this policy, in whole or in part, shall stand modified / amended from time-to-time, without any further act on the part of the Company, as and when there would be any statutory modification(s) / amendment(s) / revision(s) to the applicable provisions thereto.

In case, any difficulty or doubt arises in the interpretation of this 'Whistle Blower Policy', the decision of the Whole Time Director shall be final.

For Automotive Axles Limited

Date: 13.05.2019

Place: Pune

Sd/-

Dr. B.N.Kalyani

Chairman



PROCESS FLOW OF COMPLAINT/GRIEVANCES

