



ANNEXURE IV

PENALTY FOR CONTRAVENTION OF COMPANY'S CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY INSIDERS

The Board of Directors of Ashok Leyland Limited (the "Company") has formulated the code of practices and procedures for fair disclosure of Unpublished Price Sensitive Information and Code of Conduct to regulate, monitor and Report trading by insiders.

The Code requires Designated Persons and their Immediate Relatives to seek prior approval for transactions in the Securities of the Company exceeding the threshold prescribed therein, report such transaction(s) and submit certain periodic reports along with documentation. The Code also prohibits any transaction in Securities during Non-Trading Period and also restricts contra trade. It is strongly recommended that the employees go through and strictly adhere to the Codes and the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("SEBI PIT Regulations").

The Code inter-alia requires:

1. Obtaining pre-clearance for certain transactions;
2. Reporting / declaring transactions in Securities of the Company within a stipulated time period;
3. Prohibits trading in securities during Non-Trading Period.
4. Restricts entering into a Contra trade.
5. Prohibits sharing of Unpublished Price Sensitive Information (UPSI) except in furtherance of legitimate purposes.

Penal provisions

In terms of the Code, the Company will take appropriate disciplinary action against designated persons for violation of the Code and the provisions of SEBI PIT Regulations.

Considering the criticality of the offence of violation of SEBI PIT Regulations, designated persons are expected to comply with the requirement of the Code and SEBI PIT Regulations. For designated employees of designation AGM (CG 27) and above, fine will be levied irrespective of whether it is a first instance of violation or not. For all other designated employees, a warning would be provided in the first instance and further instances in future will lead to levy of action as per table below:



1.	<p>Not obtaining pre-clearance for trading (buying/selling) in the Securities*</p> <p>First instance: Warning (not applicable for designated employees of designation AGM (CG 27) and above)</p> <p>Second instance: A fine of upto 5% of the gross value of the transaction</p> <p>Third instance: A fine of upto 10% of the gross value of the transaction</p> <p>Fourth instance: Action as may be decided by the Board of Directors</p> <p><i>(*trading in Securities above the threshold limits prescribed in the Code)</i></p>
2.	<p>Delay in reporting / declaring transactions (buy/sell) in the Securities within the stipulated time (including a 'NIL' report):</p> <p>First instance: Warning (not applicable for designated employees of designation AGM (CG 27) and above)</p> <p>Second instance: A fine of Rs. 1,000/- per day of default upto the first 10 days of default</p> <p>Third instance: A fine of Rs. 2,000/- per day of default upto the first 10 days of default</p> <p>Fourth instance: Action as may be decided by the Board of Directors</p> <p>Note: The amount of fine payable for any delay under this category beyond the first 10 days of default would be decided by the Board of Directors.</p>
3.	<p>Trading during non-trading period (when the trading window is closed)</p> <p>First instance: Warning (not applicable for designated employees of designation AGM (CG 27) and above)</p> <p>Second instance: A fine of 10% of the gross value of transaction</p> <p>Third instance: A fine of 20% of the gross value of transaction</p> <p>Fourth instance: Action as may be decided by the Board of Directors</p>
4.	<p>Entering into Contra trade:</p> <p>First instance: Warning (not applicable for designated employees of designation AGM (CG 27) and above)</p> <p>Second instance: A fine of 10% of the gross value of transaction</p> <p>Third instance: A fine of 20% of the gross value of transaction</p> <p>Fourth instance: Action as may be decided by the Board of Directors</p>
5.	<p>Any other non-compliance with the Code:</p> <p>Appropriate action as may be decided by Board of Directors.</p>



The fine stated hereinabove is payable to the Company and the modalities for paying the fine would be separately communicated by the Compliance Officer to the concerned person. The Company will remit the amount collected to the Investor Protection and Education Fund of Securities and Exchange Board of India.

In case of any doubt or dispute with regard to the interpretation or applicability or otherwise of the provisions of the Code or related provisions, the decision of the Board of Directors shall be final.

In case the Board of Directors is required to review any transaction or impose penalties on one of its own members, the concerned member would excuse himself from the Board on that matter and not participate.

Further, in case it is observed by the Compliance Officer that there has been a violation of SEBI PIT Regulations, the Company shall inform SEBI of such violation.