

WHISTLE BLOWER POLICY

1. INTRODUCTION

Section 177(9) of the Companies Act, 2013 requires every listed company to establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed. Further, Regulations 22 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) mandates every listed company to formulate a vigil mechanism for directors and employees to report genuine concerns. Also, the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018 requires listed companies to have a whistle-blower policy and make employees aware of such policy to enable a Whistle Blower to report instances of leak of unpublished price sensitive information.

The Board of Directors of Ashok Leyland Limited (“the Company”) formulated the Whistle Blower Policy (“Policy”) at the meetings held on September 8, 2014 and November 6, 2014. Further, Board of Directors of Company amended this policy on March 19, 2019 as per the requirements under the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018 and certain other clauses in the Code.

2. OBJECTIVES

The objective of the policy is to provide a vigil mechanism for directors and employees to report genuine concerns and to provide for adequate safeguards against victimisation of employees and directors who avail of the vigil mechanism and provide for direct access to the Chairperson of the Audit Committee or the director nominated to play the role of Audit Committee, as the case may be, in exceptional cases.

The policy intends to cover serious concerns that could have grave impact on the operations and performance of the business of the Company. This policy is an extension of the Company’s “**Code of Conduct and Ethics**”. Whistle Blowers should not act on their own in conducting any investigation activities other than as requested by the Whistle Blower Committee or the Chairman of the Audit Committee or the Investigators.

This policy is intended to assist individuals who believe they have discovered any malpractice or impropriety, fraud or suspected fraud, instances of leakage of unpublished price sensitive information, or suspected leakage of unpublished price sensitive

information, violation of Company rules, manipulations, negligence, misappropriation usage of monies or any other activity on account of which the interest of the Company is affected. It is not designed to question financial or business decisions taken by the firm nor should it be used to reconsider any matters which have been investigated under the harassment, grievance or disciplinary policies and procedures.

3. DEFINITIONS

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

- a. **“Act”** means the Companies Act, 2013 and Rules made thereunder, including any statutory amendment or modification thereof.
- b. **“Alleged Wrongful Conduct”** means violation of law, infringement of Company’s code of conduct or ethics policies, mismanagement, misappropriation of monies, actual or suspected fraud, instances of leakage of UPSI or suspected leakage of UPSI, substantial and specific danger to public health and safety or abuse of authority.
- c. **“Audit Committee”** means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 and read with Regulation 18 of the Listing Regulations.
- d. **“Board”** means the Board of Directors of the Company.
- e. **“Company”** means Ashok Leyland Limited.
- f. **“Chairman”** means Chairman of the Audit Committee of the Board.
- g. **“Code of Conduct and Ethics”** or **“The Code”** or **“Code”** means the Ashok Leyland Code of Conduct and Ethics meant for all the Employees (*full time or part time*); Stakeholders and wherever appropriate also refers to the Code of Conduct for the Senior Management and Board Members; specified and governed by the specific policy documents.
- h. **“Director”** means a person as defined in Section 2(34) of the Act.
- i. **“Disciplinary Action”** means any action that can be taken on the completion of or during the investigation proceedings including but not limited to a warning, imposition of fine, suspension from official duties or any such action as is deemed to be fit considering the gravity of the matter.

- j. **“Employee”** means every employee of the Company (whether working in India or abroad), including the Directors in the employment of the Company.
- k. **“Insider Trading Code”** means the Code of Conduct for regulating, monitoring and Reporting of Trading by Designated persons and the Code of Practices and Procedures for fair Disclosures of Unpublished Price Sensitive Information adopted by the Company.
- l. **“Good Faith”**: An employee shall be deemed to be communicating in ‘good faith’ if there is a reasonable basis for communication of unethical and improper practices or any other alleged wrongful conduct. Good Faith shall be deemed lacking when the employee does not have personal knowledge on a factual basis for the communication or where the employee knew or reasonably should have known that the communication about the unethical and improper practices or alleged wrongful conduct is malicious, false or frivolous.
- m. **“Investigators”** mean those persons authorised, appointed, consulted or approached by the Chairman of the Whistle Blower Committee/Chairman of the Audit Committee and includes the auditors of the Company and the police.
- n. **“Protected Disclosure”** means any communication made in Good Faith that discloses or demonstrates information that may prima facie evidence Unethical or Improper Activity or Alleged Wrongful Conduct, which are not in the best interests of the Company.
- o. **“Subject”** means a person or group of persons against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
- p. **“Unethical and/or Improper Activity”** means an activity which does not conform to approved standard of social and professional behavior thereby resulting in Unethical business practices.
- q. **“Unpublished Price Sensitive Information/or UPSI”** 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:
- (i) financial results;

- (ii) dividends;
 - (iii) change in capital structure;
 - (iv) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
 - (v) changes in key managerial personnel.
- r. **“Whistle Blower”** means an Employee (Full time / Part Time / Outsourced / Past); Directors; Apprentices; Vendors; Suppliers; Customers and All other stakeholders directly or indirectly dealing with Ashok Leyland Limited and making a Protected Disclosure under the Policy.
- s. **“Whistle Blower Committee”** means a sub-committee of the Audit Committee constituted by the Audit Committee to assist the Audit Committee in dealing with the whistle blower complaints.

4. ELIGIBILITY

All the directors and employees of the Company are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company. A person who has resigned from the services of the company and is serving the notice period, is not eligible to make protected disclosures under the policy in relation to the matters concerning the Company. The Protected Disclosures may be in relation to matters concerning the Company but not limited to:

- (a) Abuse of authority;
- (b) Breach of code of conduct or employment contract;
- (c) Breach of commercial contract with stakeholders;
- (d) Negligence causing substantial and specific danger to public health and safety;
- (e) Manipulation of the Company’s data or records;
- (f) Financial irregularities, including fraud or suspected fraud or deficiencies of internal control and check or deliberate error in preparations of financial statements or misrepresentation of financial reports;
- (g) Any unlawful act, whether civil or criminal, the latter having repercussions on the Company and its reputation;
- (h) Pilferation of confidential or proprietary information;
- (i) Deliberate violation of law or regulations;
- (j) Wastage or misappropriation of the Company’s funds or assets;
- (k) Breach of code of conduct and ethics or rules;
- (l) Any other Unethical, biased, favored, imprudent act or behaviour.

The Policy should not be used in place of the Company's grievance procedure or be a route for raising malicious or unfounded allegations against colleagues. Any such attempt will be addressed in the strictest possible manner and may entail disciplinary action against the person acting with malice or animosity.

5. DISQUALIFICATIONS

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. Protection under this Policy shall not mean protection from Disciplinary Action arising out of false or bogus allegations made by a Whistle Blower or any allegation with a *mala fide* intention.

Whistle Blowers, who make Protected Disclosures, which have been subsequently found to be *mala fide*, frivolous, baseless, malicious, or reported otherwise than in Good Faith, will be disqualified from reporting further Protected Disclosures under the Policy. In respect of such Whistle Blowers, the Company or Audit Committee would reserve its right to take or recommend appropriate Disciplinary Action.

6. MANNER OF MAKING DISCLOSURE AND INVESTIGATION

- a. All Protected Disclosures should be reported, in writing, to the Whistle Blower Committee or Chairman of the Audit Committee as soon as the Whistle Blower becomes aware of the same at the following address:

Mr. Sanjay K Asher

Chairman, Audit Committee, Ashok Leyland Limited

C/o M/s. Crawford Bayley & Co.

Advocates, Solicitors and Notaries

State Bank Buildings, N.G. N. Vaidya Marg, Fort, Mumbai 400 023

Tel: +91 22 2266 3353 Fax: + 91 22 2266 3978

e-mail: vigil@ashokleyland.com

- b. Employees can make Protected Disclosure to the Chairman of the Whistle Blower Committee or the Chairman of the Audit Committee as soon as possible but not later than thirty days after becoming aware of it. The Chairman, as the case may be, at his/her discretion, may grant such additional time on written request by such Whistle Blower. Such written request shall specify the reason(s), if any, for such delay.

- c. The Protected Disclosures should be submitted in a closed and secured envelope dispatched to the Chairman of the Whistle Blower Committee or Chairman of the Audit Committee at the address as provide above and should be super scribed as “Protected Disclosure under the Whistle Blower Policy”.
- d. If a Protected Disclosure is received by any executive of the Company other than Whistle Blower Committee or the Chairman of the Audit Committee, the same should be forwarded to the Chairman of the Whistle Blower Committee or Chairman of the Audit Committee for further appropriate action. Appropriate care will be taken to keep the identity of the whistleblower confidential.
- e. Protected Disclosures should be reported in writing so as to ensure a clear understanding of the improper activity involved or issues raised and should either be typed or written in a legible handwriting in English or Hindi or in the regional language of the place of employment of the Whistle Blower. The same should be transcribed in English, if necessary.
- f. Protected Disclosure should be forwarded under a covering letter which shall bear the identity of the Whistle Blower, that is, his/her name, Employee number and location and should be inserted in an envelope which should be closed or secured or sealed. The envelope should be superscribed “Protected Disclosure”. The Chairman of the Whistle Blower Committee or the Chairman of the Audit Committee, as the case may be, will detach the covering letter and forward only the Protected Disclosure to the Investigators for investigation.
- g. Protected Disclosures should be factual and not speculative or in the nature of a conclusion and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern and the urgency of a preliminary investigative procedure.
- h. Whistle Blowers must put their names to allegations as follow-up questions and investigation may not be possible unless the source of the information is identified.
- i. Where initial enquiries indicate that further investigation is necessary, this will be carried through either by the Chairman of the Whistle Blower Committee or the Chairman of the Audit Committee for this purpose. This investigation would be conducted in a fair manner, as a neutral fact-finding process and without presumption of guilt. A written report of the findings would be made.

7. INVESTIGATION

- a. All Protected Disclosures reported under this Policy will be appropriately and expeditiously investigated by the Chairman of the Whistle Blower Committee or the Chairman of the Audit Committee through the Whistle Blower Committee, as the case may be, who will investigate or oversee the investigations under the authorisation of the Audit Committee.
- b. The Chairman of the Whistle Blower Committee or the Chairman of the Audit Committee, as the case may be, may at the discretion consider involving any Investigators for the purpose of investigation.
- c. The decision to conduct an investigation taken by the Chairman/Whistle Blower Committee, as the case may be, is, by itself, not an accusation and is to be treated as a neutral fact-finding process. The outcome of the investigation may not support the conclusion of the Whistle Blower that an Unethical or Improper Activity was committed.
- d. The identity of a Subject will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- e. Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- f. Subjects shall have a duty to co-operate with the Chairman/Whistle Blower Committee, as the case may be, or any of the Investigators during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.
- g. Subjects have a right to consult with a person or persons of their choice, other than the members of the Audit Committee/Whistle Blower Committee and / or the Whistle Blower. Subjects shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings.
- h. Subjects have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated by the Subjects.

- i. Unless there are compelling reasons not to do so, Subjects will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.
- j. Subjects have a right to be informed of the outcome of the investigation. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.

The investigation shall be completed normally within forty-five (45) days of the receipt of the Protected Disclosure.

8. PROTECTION

- (i) Protection to the Whistle Blower under the Policy will be available provided the following conditions are met with, that is:
 - a. the Protected Disclosure is made in Good Faith;
 - b. the Whistle Blower has reasonable information or documents in support thereof; and
 - c. the Protected Disclosure is not made for any personal gain or animosity against the Subject.
- (ii) The Company will endeavor to ensure that the Policy is adhered to, and to attain this end, the Company will ensure the following:
 - a. that no unfair treatment is given to a Whistle Blower by virtue of his or her having reported a Protected Disclosure under the Policy;
 - b. that appropriate care is taken to keep the identity of the Whistle Blower confidential and any such disclosure be made only on a need to know basis;
 - c. that any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blowers is condemned;
 - d. that complete protection is given to the Whistle Blower against any unfair practice like retaliation, threat or intimidation of termination or 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 or functions including making further Protected Disclosure;

- e. that confidentiality of the Protected Disclosure is maintained;
- f. that the identity of the Whistle Blower is kept confidential to the extent possible and permitted under law. However, Whistle Blowers are cautioned that their identity may become known for reasons outside the control of the Chairman as the case may be (e.g. during investigations carried out by Investigators). Any other Employee assisting in the said investigation will also be protected to the same extent as the Whistle Blower;
- g. that no attempt to conceal evidence of the Protected Disclosure is made;
- h. that an opportunity of being heard is given to the persons involved, especially to the Subject;
- i. that any other Employee assisting in the said investigation of furnishing evidence will also be protected to the same extent as the Whistle Blower; and
- j. that steps will be taken to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure. Thus, if the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistle Blower to receive advice about the procedure, etc.

(iii) A Whistle Blower may report any violation of the clauses enlisted hereinabove to the Chairman of the Audit Committee/the Chairman of the Whistle Blower Committee, who shall investigate into the same and recommend suitable action to the management.

9. DECISION

If an investigation leads the Chairman of the Audit Committee/Whistle Blower Committee as the case may be, to conclude that an Unethical or Improper Activity has been committed, the Chairman of the Audit Committee/the Chairman of the Whistle Blower Committee, as the case may be, will recommend to the management of the Company to take such disciplinary or corrective action as the, as the case may be, deems fit. It is clarified that any disciplinary or corrective action initiated against the Subject as a result of the findings of an

investigation pursuant to this Policy would adhere to the applicable personnel or staff conduct and disciplinary procedures.

10. ANONYMOUS ALLEGATIONS/ COMPLAINTS

This policy strongly encourages individuals to put their names to allegations. However, individuals may raise concerns anonymously. Concerns expressed anonymously will be evaluated by the Company for investigation. In exercising this discretion, the factors to be taken into account would include:

- (i) The seriousness of the issued raised;
- (ii) The credibility of the concern; and
- (iii) The likelihood of confirming the allegations from attributable sources.

In case the allegation has been made with *malafide* intentions or is frivolous in nature, or is not genuine, the same will be dropped.

11. SECRECY OR CONFIDENTIALITY

(i) The Whistle Blower, the Subject, the Investigators and everyone involved in the process will:

- (a) maintain complete confidentiality or secrecy of the matter;
- (b) not discuss the matter in any informal or social gatherings or social media or meetings;
- (c) discuss only to the extent or with the persons required for the purpose of completing the process and investigations;
- (d) not keep the papers unattended anywhere at any time;
- (e) keep the electronic mails or files under password.

(ii) If anyone is found not complying with the above, he or she will be held liable for such Disciplinary Action as is considered fit by the Chairman, as the case may be.

12. REPORTING

A quarterly report with number of complaints received under this Policy and their outcome will be placed by the Audit Committee to the Board.

13. RETENTION OF DOCUMENTS

All Protected Disclosures in writing or documented along with the results of investigation relating thereto will be retained by the Company for

- i. A minimum period of three (3) years (or)
- ii. In accordance with the company's record retention policy (or)
- iii. As specified by any other law

Whichever is more.

14. AMENDMENT

The Board of 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, no such amendment or modification will be binding on the Directors and Employees unless the same is notified to the Directors and Employees in writing.

The policy is available at the website of the Company at www.ashokleyland.com.