

AUTOMOTIVE AXLES LIMITED

14th February 2020

The BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001
Scrip Code: 505010

National Stock Exchange of India
Exchange Plaza
Bandra- Kurla Complex,bandra(east)
Mumbai-400051
Scrip Code: EQ

Attn: Listing Department

Sub: Intimation under the SEBI (Listing and Disclosures Requirements)
Regulations, 2015

Respected Sir/Madam

This is to inform you that Board of Directors of the company at its board meeting held on Friday, 14th February 2020 amended the code of conduct for “Insider trading and fair Disclosure of Unpublished price sensitive information” of Automotive Axles Limited (“Code”) in accordance with SEBI(Prohibition of Insider Trading) (Third Amendment) Regulations,2019, dated September 17,2019.

The revised code is attached herewith and also available on the company’s website at www.autoaxle.com

[Kindly take the same on your record](#)

Thanking You

Yours Truly,

For Automotive Axles Limited


Debadas Panda
Company Secretary



Encl: as above



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ISO 9001:2015 / IATF 16949 : 2016, EMS ISO 14001:2015 & BS OHSAS 18001:2007



AUTOMOTIVE AXLES LIMITED

CODE OF CONDUCT FOR INSIDER TRADING AND FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

(Revised w.e.f. December 26, 2019)

AUTOMOTIVE AXLES LIMITED

Document Title	Code of Conduct for Insider Trading And Fair Disclosure of Unpublished Price Sensitive Information
Originally Framed	May 13, 2015
Last Revised Date	May 13, 2019
Current Revision Date	December 26, 2019
Authority approving the Policy	Board of Directors

AUTOMOTIVE AXLES LIMITED

CODE OF CONDUCT FOR INSIDER TRADING AND FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

1 INTRODUCTION

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 (“**Regulations**”) (as amended from time to time), Automotive Axles Limited (“**AAL**” or “**Company**”) has implemented “policy on trading of shares by an Insider” formulated by its Board of Directors with effect from May 18, 2017.

The Regulations envisage listed companies formulating a code of practices and procedures for fair disclosure of Unpublished Price Sensitive Information (“**UPSI**”), a code of conduct to regulate, monitor and report trading by its Designated Persons and their Immediate Relatives by adopting the prescribed minimum standards for achieving compliance with the regulations, establishing principles for fair disclosure of UPSI and adopting a policy and procedure for inquiry in case of leak or suspected leak of UPSI. Accordingly, the existing Code adopted by the Company has been replaced with this new Code titled “**Code of Conduct for Insider Trading and Fair Disclosure of Unpublished Price Sensitive Information**” (“**Code**”) with effect from April 1, 2019.

2 PURPOSE AND APPLICABILITY

This Code has been formulated to maintain the highest ethical standards while trading in Securities of the Company by the Insiders. The purpose of the Code is also to put in place a framework for prohibition of insider trading in Securities, and to strengthen the legal framework thereof.

3 IMPORTANT DEFINITIONS

- 3.1 “**Compliance Officer**” means the Company Secretary of the Company or such other senior officer, who is financially literate, as may be appointed by the Board of Directors of the Company under the Regulations.

3.2 "Connected Person" means:

- a) any person who is or has during the six months prior to the concerned act been associated with the Company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the Company or holds any position including a professional or business relationship between himself and the Company whether temporary or permanent, that allows such person, directly or indirectly, access to UPSI or is reasonably expected to allow such access.
- b) the persons falling within the following categories shall be deemed to be Connected Persons unless the contrary is established –
 - i. An Immediate Relative of Connected Persons specified in clause (i); or
 - ii. A holding company or associate company or subsidiary Company; or
 - iii. An intermediary such as stock broker, sub-broker, share transfer agent, banker to an issue, trustee of trust deed, registrar to an issue, merchant banker, underwriter, portfolio manager, investment advisor and such other intermediary who may be associated with Securities market or an employee or director thereof; or
 - iv. An investment company, trustee company, asset management company or an employee or director thereof; or
 - v. An official of a stock exchange or of clearing house or corporation; or
 - vi. A member of board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof; or
 - vii. A member of the board of directors or an employee, of a public financial institution as defined in Section 2(72) of the Companies Act, 2013; or
 - viii. An official or an employee of a self-regulatory organization recognized or authorized by the Board; or
 - ix. A banker of the Company; or
 - x. A concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of a company or his immediate relative or banker of the company, has more than 10% of the holding or interest.

3.3 "Designated Person"

The term designated person shall consist of:

- a) Directors of the Company and its material subsidiaries if any;
- b) Promoters & Promoter Group entities of the Company;
- c) Key Managerial Personnel of the Company [and its material subsidiaries if any];
- d) Employees in the grade of General Manager and above of the Company [and its material subsidiaries if any];
- e) Secretaries of the Executive Directors and Functional Heads of the Company;

- f) Support staff of the Company such as IT, finance or Secretarial Staff who have access to UPSI;
- g) Such other employees of the Company or its Subsidiary Companies if any as may be determined by the Compliance Officer on the basis of their functional role;

- 3.4 **“Generally Available Information”** means information that is accessible to the public on a non-discriminatory basis.
- 3.5 **“Immediate Relative”** means a spouse of a person, and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to Trading in Securities.
- 3.6 **“Insider”** means any person who is:
- a) a Connected Person; or
 - b) in possession of or having access to UPSI.
- 3.7 **“Key Managerial Personnel (KMP)”** will include –
- a) Executive Chairman or Managing Director, or Chief Executive Officer, or a Whole-time Director;
 - b) Company Secretary;
 - c) Chief Financial Officer; and
 - d) Such other officer as may be appointed by the Board of Directors of the Company as Key Managerial Person.
- 3.8 **“Material Financial Relationship”** shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift during the immediately preceding twelve months, equivalent to at least 25% of such payer’s annual income but shall exclude relationships in which the payment is based on arm’s length transactions.
- 3.9 **“Need-to-Know”** basis means that Unpublished Price Sensitive Information should be disclosed only to those within the Company who need the information to discharge their duty and whose possession of such information will not give rise to any conflict of interest or appearance of misuse of the information.
- 3.10 **“Promoter”** and **“Promoter Group”** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof.
- 3.11 **“Securities”** means Securities or voting rights of Automotive Axles Ltd., which are listed in any stock exchange, and includes derivatives.

3.12 **“Trading” or “Trade”** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any Securities, and shall include pledging of Securities.

3.13 **“Trading Day,”** means a day on which the recognized stock exchanges are open for Trading.

3.14 **“Unpublished Price Sensitive Information (“UPSI”)** means any information, relating to the Company or its Securities, which is not generally available and which upon becoming generally available, is likely to materially affect the price of the Securities and shall ordinarily include the following:

- a) financial results;
- b) dividends;
- c) change in capital structure;
- d) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions; and
- e) changes in Key Managerial Personnel;

Words, expressions and terms used in this Code but not defined shall have meaning as assigned to such words, expressions and terms in the Regulations or the Companies Act, 2013 and rules made thereunder or the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

4 CODE OF FAIR DISCLOURE AND CONDUCT

Principles of fair disclosure with respect to Unpublished Price Sensitive Information have been set out below:

- a) Company shall promptly disseminate Unpublished Price Sensitive Information that may impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
- b) Company shall ensure uniform and universal dissemination of Unpublished Price Sensitive Information to avoid selective disclosure.
- c) Company shall ensure prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
- d) Company shall put in place an appropriate mechanism to respond to queries on news reports and requests for verification of market rumors by regulatory authorities.
- e) Company shall ensure that information shared with analysts and research personnel is not Unpublished Price Sensitive Information.
- f) Company believes in developing best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made.

- g) Company ensures that all Unpublished Price Sensitive Information is strictly made available on a Need- to- Know basis. UPSI may however be disclosed to persons who need such information for furtherance of Legitimate Purposes, performance of duties or discharge of legal obligations in relation to the Company.
- h) The term 'Legitimate Purpose' includes sharing of UPSI in the ordinary course of business by an Insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors and consultants, provided that such sharing has not been carried out to evade or circumvent the prohibition of these regulations.

For determining 'Legitimate Purpose', the following factors shall be taken into consideration:

- i. Whether the information has been shared for the purpose of undertaking normal course of activity as required under the assigned scope of work;
 - ii. Whether sharing of such information is customary business practice;
 - iii. Whether the purpose for which the information is shared has well established precedence in the Company's history;
 - iv. Whether such information relates to regular and frequent activities of the Company;
 - v. Whether such information and the purpose of sharing were apparent and predictable.
 - vi. Whether such information sharing is necessary for complying with a Statutory requirement.
- i) The Chief Financial Officer of the Company shall act as Chief Investor Relationship Officer (CIRO) for the purpose of dealing with dissemination of information and disclosure of UPSI relating to the Company to the investors, analysts, press and electronic/ social media.
 - j) Disclosure of UPSI to any person other than clause (g) shall be only with the prior approval of the Whole Time Director or CIRO of the Company.
 - k) Employees of the Company shall not respond under the circumstances to enquiries from the Stock Exchanges, media or others unless authorized to do so by CIRO or the Whole Time Director of the Company.

5 CODE OF CONDUCT FOR INSIDER TRADING:

This code is applicable to Insiders and Designated Persons (and their Immediate Relatives) as defined above under clause (3.3) and (3.5) and (3.6) respectively.

5.1 Prohibition on communicating and procuring UPSI

- a) No Insider shall communicate, provide, allow access to any UPSI relating to the Company or Securities listed or proposed to be listed, to any person;

- b) No person shall procure from or cause the communication by an Insider of UPSI, relating to the Company or its Securities;

Provided that nothing contained above shall be applicable when UPSI is communicated, provided, allowed access to or procured:

- i. in furtherance of Legitimate Purposes, performance of duties or discharge of legal obligations pursuant to appropriate confidentiality and non-disclosure agreement being executed; or
 - ii. In the event the Board of Directors direct or cause the public disclosure of UPSI in the best interest of the Company;
- c) In case the Insider is required to communicate, provide, or allow access to any UPSI, such Insider shall do so only upon execution of a Non-Disclosure Agreement (“NDA”) to bind the recipient of the information to maintain confidentiality of the information and to communicate, provide, or allow access to any UPSI only in compliance with the provisions of these Regulations.
- d) A person in receipt of UPSI of the Company pursuant to a Legitimate Purpose shall be considered as Insider for purposes of the Regulations and relevant requirement under this Code will be applicable and shall be complied by such person;
- e) An Insider who shares the UPSI shall intimate the name and other details of such person with whom UPSI is shared under this regulation along with Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available, to the Compliance Officer, or CFO of the Company.
- f) UPSI shall be maintained within the Chinese Walls at all times. In the event any employee is required to be wall – crossed, i.e., brought over the Chinese Wall in order to obtain access to the UPSI for a specific purpose, prior approval of the Compliance Officer must be sought. The Compliance Officer shall consider whether such person being wall – crossed, is being provided UPSI on a Need – to – Know basis and whether such information is specific to the purpose for which their assistance is required.
- g) All persons who have wall – crossed shall be notified that he/she would be considered to be a Designated Person under this Code and consequently, required to comply with all applicable provisions of the Code and Regulations, till such information remains UPSI.

5.2 Prohibition on Trading:

- a) An Insider shall not Trade in Securities that are listed or proposed to be listed in stock exchange when in possession of UPSI.

5.3 Trading Plan

- a) An Insider shall be entitled to formulate a Trading Plan that complies with these

Regulations and present it to the Compliance Officer for approval and public disclosure pursuant to which Trades may be carried out in his/her behalf in accordance with such plan.

- b) The Compliance Officer shall review and approve the Trading Plan if it complies with the Regulations and shall disclose the Trading Plan to the Stock Exchanges.
- c) The Trading Plan once approved shall be irrevocable and Insider shall mandatorily have to implement the plan, without being entitled to either deviate from it or execute any Trade outside the scope of the Trading Plan.
- d) However, the Insider shall not commence Trading under Trading Plan, if any UPSI in his possession at the time of formulation of the Plan has not become Generally Available Information at the time of commencement of the Plan. In such cases, the Compliance Officer will confirm that the commencement ought to be deferred.
- e) The Compliance Officer shall review the Trading Plan to assess whether the Plan has the potential for violation of these Regulations and shall be entitled to seek such express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the Plan.
- f) Pre-clearances of Trades shall not be required for such Trades which are executed as per an approved Trading Plan.
- g) Further Trading window norms and restrictions on contra Trades shall not be applicable for approved Trading Plan.

5.4 Pre-Clearance of Dealings

- a) Every Designated Person is required to obtain pre-clearance from the Compliance Officer by making an application as per **Annexure 1 and an undertaking as per Annexure 2** before he/she and / or any of his/her Immediate Relatives, Trade in Securities (either buy / acquire or sell / dispose, etc.), **if the market value of Securities involved in the Trade or series of Trades over any calendar quarter, in aggregate, exceeds Rs. 10 Lakhs.**

It is hereby clarified that the value of Securities Traded will include the aggregate of purchases as well as sale of Securities

- b) The Compliance Officer may, after being satisfied that the application and undertaking are true and accurate, approve Trading by a Designated Person, on the condition that the Trade so approved shall be executed within seven Trading Days following the date of approval. The order for approval of pre-clearance shall be given as per **Annexure 3**.
- c) The Designated Person and / or any of his/her Immediate Relatives shall file within 2 (two) days of the execution of the Trade, the details of such Trade with the Compliance Officer as per **Annexure 4**.
- d) If the pre-cleared Trade is not executed within seven Trading Days after the approval is

given, the Designated Person must secure pre-clearance of the Trade again. Also, the Designated Persons should intimate the Compliance Officer of the decision not to Trade after securing pre-clearance as per **Annexure 5**.

- e) A Designated Person (and his/her Immediate Relative(s)) who Trades in Securities without complying with the pre-clearance procedure as envisaged in the Regulations or gives false understanding and/or makes misrepresentations in the undertakings executed by him/her while complying with the pre-clearance procedure shall be subjected to the penalties as envisaged in the Regulations.
- f) All Designated Persons (and his/her Immediate Relatives) who Trade in Securities of the Company shall not enter into an opposite transaction during the next six months following the prior transaction. All Designated Persons (and his/her Immediate Relatives) shall also not take positions in derivative transactions in the shares of the Company at any time. The Compliance Officer may grant relaxation from strict application of this restriction for reasons to be recorded in writing provided that such relaxation does not violate the Regulations. In case of any contra Trade being executed, inadvertently or otherwise, in violation of such restriction, the profit from such Trade shall be liable to be disgorged for remittance to the SEBI for credit to the Investor Protection and Education Fund administered by SEBI.

5.5 Disclosure and Reports

- a) Every Designated Person, including, a person upon being designated as such, is required to furnish the names and Permanent Account Number or any other identifier authorized by law of the following persons to the Company on an annual basis and as and when the information changes (as per **Annexure 6**):
 - i. Immediate Relatives;
 - ii. persons with whom such Designated Person(s) shares a Material Financial Relationship;
 - iii. Phone, mobile and cell numbers which are used by them;
- b) Every Designated Person, including a person upon being designated as such, is also required to furnish:
 - i. The names of educational institutions from which designated persons have graduated;
 - ii. The names of their past employers; and
 - iii. details of Securities and derivative positions in Securities presently held by him/her or his/her Immediate Relatives as per **Annexure 7**;
- c) Every person on appointment as a KMP or a Director of the Company or upon becoming a Promoter or member of Promoter Group shall disclose to the Company as per **Annexure 8** the number of Securities held by self or his/her Immediate Relatives or any other person for whom they take trading decisions, within 7 (seven) days of such appointment.
- d) Every Promoter, member of Promoter Group, Designated Person and director of the Company shall disclose as **Annexure 9** to the Company, the number of Securities acquired or disposed by them or their Immediate Relatives or any other person for whom they take

trading decisions, within 2 (two) Trading Days of such transaction, if the aggregate value of Securities Traded, whether in one transaction or a series of transactions over **any calendar quarter, exceeds Rs. 10 Lakhs.**

It is hereby clarified that the value of Securities Traded will include the aggregate of purchases as well as sale of Securities.

The Company shall notify the particulars of such trading to the Stock Exchanges on which the Securities are listed within 2 Trading Days of receipt of the disclosure or from becoming aware of such information.

- e) If so demanded by the Compliance Officer, Designated Persons/ Connected Person shall furnish copies of account statements of Securities, or such other documents as may reasonably be required by the Compliance Officer, in order to enable him to verify the accuracy of the information furnished, and monitor adherence with this Code, by Designated Persons. Such statement or other document is required to be submitted within 7 calendar days of demand or within such extended period as may be allowed by the Compliance Officer.
- f) The Compliance Officer may require the Designated Persons and their Immediate Relatives to disclose to the Compliance Officer the number of Securities held by them in the Company within such period as may be required by the him as per the format given in **Annexure 10.**
- g) Disclosure by other Connected Persons:

The Compliance Officer at his discretion may require any other Connected Person or class of Connected Persons to make disclosures of holdings and trading in Securities of the Company as and when he/she deems fit in order to monitor compliance with these Regulations as per **Annexure 11.**

5.6 Trading Window and Prohibition on dealing during Window Closure

- a) A trading period called "**Trading Window**" shall be available for trading in **Securities**. The Trading window shall be closed during "**Fixed Closed Period**" and "**Special Closed Period**" during which Designated Persons or his/her Immediate Relatives are prohibited from dealing in Securities.
- b) The following periods are hereby notified as "**Fixed Closed Periods**":
 - i. End of financial quarter/ year, as the case may be, up to forty-eight hours after the declaration of financial results.
 - ii. The dates of the respective Board Meetings for the above purposes will be notified by the Compliance Officer.
- c) "**Special Closed Periods**" will be notified by the Compliance Officer from time-to-time as per the requirements. Typically, events which may necessitate notification of Special Closed Periods will include intended declaration of interim dividend, proposal for issue of