



Mazda Limited

**Code of Practices and Procedures for Fair Disclosure
of Unpublished Price Sensitive Information**

(This Code shall be effective from 1st April, 2019)

INTRODUCTION:

The Securities Exchange Board of India (SEBI), for protection of investors and to regulate the securities market, had formulated SEBI (Prohibition of Insider Trading) Regulations, 2015, applicable to all listed companies. Further, SEBI (Prohibition of Insider Trading) (Amendment) (Regulation 2018) notified on January 21, 2019 requires every listed company, inter alia, formulate a policy for determination of 'Legitimate Purpose' as a part of this code under regulation 8 of SEBI PIT Regulation. Accordingly, the Board of Directors in their meeting held on March 06, 2019 adopted this new Code of Conduct covering a policy of determination of 'Legitimate Purpose'. The revised code of conduct applicable from April 01, 2019.

OBJECTIVE:

Mazda Limited endeavors to preserve the confidentiality and to prevent the misuse of un-published price sensitive information (UPSI). The Company is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all applicable laws and regulations. Every director, officer, designated person of the Company has a duty to safeguard the confidentiality of all such information obtained in the course of his or her work at the Company. No director, officer, designated person may use his or her position or knowledge of the Company to gain personal benefit or to afford advantage to any third party.

This code of conduct is applicable on following persons:

1. Promoters including member(s) of Promoter group
2. Board of Directors
3. Designated Persons
4. Connected Persons
5. Senior Management

DEFINITIONS:

1. "Act" means the Securities and Exchange Board of India Act, 1992;
2. "Code of Conduct" shall mean the Code of Internal Procedures and Code of Conduct for Regulating, Monitoring and Reporting of trading by Insiders of Mazda Limited as amended from time to time;

3. “Compliance Officer means Company Secretary of the Company or any other person who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations.

4. “Connected Person” means

- (i). any person who is or has during the six months prior to the concerned act been associated with a 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 unpublished price sensitive information or is reasonably expected to allow such access.
- (ii). Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established,
 - a. an immediate relative of connected persons specified in clause (i); or
 - b. a holding company or associate company or subsidiary company; or
 - c. an intermediary as specified in section 12 of the Act or an employee or director thereof; or
 - d. an investment company, trustee company, asset management company or an employee or director thereof; or
 - e. an official of a stock exchange or of clearing house or corporation; or
 - f. 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
 - g. 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
 - h. an official or an employee of a self-regulatory organization recognised or authorized by the Board; or
 - i. a banker of the company; or
 - j. 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 ten per cent. of the holding or interest;

5. “Designated Persons(s)” shall mean:

- (i). Directors of the Company;
- (ii). Chief Executive officer/Chief Financial officer/Company Secretary
- (iii). Chief Administrative officer / Chief Operating Officer
- (iv). Invitees to the board meeting and committee meetings
- (v). Members of executive committee of the Company not being directors
- (vi). Employees in the cadre of Manager and above;
- (vii). Personal assistant/secretary to all the above persons;
- (viii). Employees of the company who have access to UPSI and as may be decided by the management in consultation with compliance officer of the company;
- (ix). Persons employed on contract basis and performing similar roles or having similar responsibilities as persons mentioned in (ii), (iii) and (vi) above;
- (x). And such other persons as may be notified by the Compliance Officer as per directions of the Board.

6. “Digital Database” means a platform maintained in electronic form to store such information as per provisions of the Regulations;

7. “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;

8. "Insider" means any person who is:

- (i). a connected person; or
- (ii). in possession of or having access to unpublished price sensitive information;

9. “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 of the immediately preceding financial year, 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.

10. "Trading" means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly;

11. “Trading Window” means a trading period for trading in Company’s securities as specified by the company from time to time.

12. “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: –

- (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.
- (vi). such other information as determined by the Board of Directors/Chief Executive Officer/Chief Operating Officer/Chief Financial Officer from time to time. (Regulation 2(1)(n)).

SAFEGUARDING OF “UNPUBLISHED PRICE SENSITIVE INFORMATION”:

The Designated Persons shall retain the privacy of all Unpublished Price Sensitive Information and shall not disclose any such information to any person directly or indirectly by way of making an advice for the purchase or sale of securities.

All information shall be handled within the organisation on a need-to-know basis and no unpublished price sensitive information shall be communicated to any person except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

TRADING RESTRICTIONS:

The designated persons of the Company shall be subject to trading restrictions as enunciated below:-

- **Trading Window:** The period prior to declaration of unpublished price sensitive information is mostly sensitive for transactions in the Company's securities. This sensitivity is due to the fact that the Designated Persons will, during that period, often have unpublished price sensitive information. During such sensitive times, the Designated Persons will have to give up the chance of trading in the Company's securities. The Designated Persons of the Company shall not deal in the securities of the Company when the trading window is closed.
- The trading window shall be closed when the compliance officer determines that a designated person or class of designated persons can reasonably be expected to have possession of unpublished price sensitive information. Designated persons and their immediate relatives shall not trade (including but not limited to buying or selling or both) in securities when the trading window is closed.
- The period of closure related to UPSI due to preparation of financial results shall be effective from the end of every quarter till 48 hours after declaration of financial results.
- All the Designated Persons shall strictly conduct all their Trading in the Securities of the Company only when the Trading Window is open and no Designated Person shall trade in the Securities of the Company during the period the Trading Window is closed or during any other similar period as may be specified by the Compliance Officer from time to-time.
- The timing for re-opening of the trading window shall be determined by the compliance officer taking into account various factors including the unpublished price sensitive information in question becoming generally available and being capable of assimilation by the market, which in any event shall not be earlier than forty-eight hours after the information becomes generally available.

REPORTING REQUIREMENTS FOR TRANSACTIONS IN SECURITIES:

Initial Disclosure:

Every person on appointment as a Key Managerial Personnel or a Director of the company or upon becoming a Promoter shall disclose his holding of securities of the company in the prescribed **Form B**, as on the date of appointment or becoming a

Promoter, to the company within seven days of such appointment or becoming a Promoter. You can refer Form B format on below link:

https://www.bseindia.com/downloads1/Revised_Format_PIT2015.pdf

Continual Disclosures:

Every Promoter, Director and Designated Persons of the Company shall disclose to the Company the number of such securities acquired or disposed of within two trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs.10,00,000/- (Rupees Ten Lakhs) in the prescribed **Form C**. You can refer Form C format on below link:

https://www.bseindia.com/downloads1/Revised_Format_PIT2015.pdf

The disclosure by the company shall be made within 2 working days of the receipt of intimation of allotment of shares in Form C or becoming aware of such information.

Disclosure by the company to the Stock Exchange(s):

The disclosure by the company shall be made within 2 working days of the receipt of intimation of allotment of shares or becoming aware of such information in the prescribed **Form D**. You can refer Form D format on below link:

https://www.bseindia.com/downloads1/Revised_Format_PIT2015.pdf

TRADING PLAN:

An insider shall be entitled to formulate a trading plan and present it to the compliance officer for approval and public disclosure of the same pursuant to which trades may be carried out on his behalf in accordance with such plan.

The designated person shall be entitled to formulate a trading plan for dealing in securities of the Company and present it to the Compliance Officer for approval and public disclosure pursuant to which trades may be carried out on his behalf in accordance with such plan as per conditions and restrictions specified under the Regulations.

The compliance officer shall review the trading plan to assess whether the plan would have any 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.

The Trading Plan once approved shall be irrevocable and the Insider shall mandatorily have to implement the plan, without being entitled to either deviate from it or to execute any trade in the securities outside the scope of the trading plan.

However, the implementation of the trading plan shall not be commenced, if at the time of formulation of the plan, the Insider is in possession of any Unpublished Price Sensitive Information and the said information has not become generally available at the time of the commencement of implementation. The commencement of the Plan shall be deferred until such Unpublished Price Sensitive Information becomes generally available information. Further, the Insider shall also not be allowed to deal in securities of the Company, if the date of trading in securities of the Company, as per the approved Trading Plan, coincides with the date of closure of Trading Window announced by the Compliance Officer.

Provided that pre-clearance of trades shall not be required for any trades in accordance with the trading plan once trading plan has been approved by the compliance officer.

Provided further that trading window norms and restrictions on contra trade shall not be applicable for trades carried out in accordance with the trading plan approved by the compliance officer.

Upon approval of the trading plan, the compliance officer shall notify the plan to the stock exchanges on which the securities are listed.

PRE CLEARANCE OF TRADES:

Prior to approving any trades, the compliance officer shall be entitled to seek declarations to the effect that the applicant for pre-clearance is not in possession of any unpublished price sensitive information. He shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate.

The trades that have been pre-cleared have to be executed within seven trading days by the designated person, failing which fresh pre-clearance would be needed for the trades to be executed.

CONTRA TRADE:

A designated person shall not be permitted to execute a contra trade for six months. The compliance officer may be empowered to grant relaxation from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate these regulations. A contra trade be executed, inadvertently or otherwise, in violation of such a restriction, the profits from such

trade shall be liable to be disgorged for remittance to the Board for credit to the Investor Protection and Education Fund administered by the Board under the Act.

CODE OF FAIR DISCLOSURE:

The Company shall adhere to the following principles of fair disclosure of unpublished price sensitive information in letter as well as in spirit:

1. The Company will make prompt public disclosure of unpublished price sensitive information that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
2. The Company will make, uniform and universal dissemination of unpublished price sensitive information to avoid selective disclosure.
3. The Company Secretary of the Company shall act as a compliance officer to deal with dissemination of information and disclosure of unpublished price sensitive information.
4. The Company shall make prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
5. The Company shall provide appropriate and fair response to queries on news reports and requests for verification of market rumors by regulatory authorities.
6. The Company shall ensure that information shared with analysts and research personnel, if any, is not unpublished price sensitive information.
7. The Company shall develop 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.
8. The Company shall handle all unpublished price sensitive information on a need-to-know basis i.e. Unpublished Price Sensitive Information may be disclosed where such disclosure is in furtherance of legitimate purposes, discharge of legal obligations or to those within the Company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of such information.

The Unpublished price sensitive information can be shared as an exception by an Insider for Legitimate purposes in the ordinary course of business and administration

of the Company. The Company has a Policy for determination of Legitimate Purposes for which the UPSI can be shared, which has been attached with this Code and marked as “**Annexure-A**”, provided it is not shared to evade or circumvent the prohibition under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015.

The Company has a Policy for procedure of inquiry in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information, which has been attached with this Code and marked as “**Annexure-B**”.

PENALTY:

- Every Insider shall be individually responsible for complying with the provisions of the Insider Trading Regulations and the Code to the extent applicable.
- Any violation under this Code shall attract serious disciplinary action by the Company.
- The action by the Company will be taken as per SEBI Regulations of Insider Trading.

POLICY ON DETERMINATION OF LEGITIMATE PURPOSES:

[Pursuant to Regulation 3 (2A) of SEBI (Prohibition of Insider Trading) Regulations, 2015]

This Policy, as a part of “Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information” formulated under Regulation 8(1) of SEBI (Prohibition of Insider Trading) Regulations 2015 (here in after referred as “the Regulation”) and subsequently amended vide Regulation 3(2A) of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, will be known as "Policy for Determination of Legitimate Purposes" hereinafter referred to as the "Policy"

The objective of this policy is to identify 'Legitimate Purposes' for performance of duties or discharge of legal obligations, which will be considered as an exception for the purpose of procuring unpublished price sensitive information (UPSI) relating to the Company or its listed securities or proposed to be listed securities, if any.

“**Legitimate purpose**” pursuant to the provisions of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, shall include sharing of unpublished price sensitive information in the ordinary course of business by an insider with the following persons, where such communication is for performance of duties or discharge of legal obligations or for need-to-know basis etc., provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations.

1. Promoters/Promoter Group of the Company
2. Auditors (Statutory, Internal, Secretarial and any other Auditor as applicable)
3. Staff Members of the Audit firm/team conducting the Audit
4. Lenders
5. Customers
6. Suppliers
7. Bankers
8. Merchant Bankers
9. Legal Advisors
10. Regulatory Authorities

11. Advertising Agencies
12. Insolvency Professionals
13. Consultants
14. Any other advisors/consultants/partners
15. Any other person with whom UPSI is shared

Persons in receipt of unpublished price sensitive information pursuant to a “legitimate purpose” shall be considered an “insider” for purposes of Insider Trading Regulations.

For the purpose of determining the ‘legitimate purposes’, following factors must be satisfied:

1. It must be shared in the Ordinary of Course of Business or for Corporate Purposes;
2. It is required to be done in furtherance of fiduciary duties or in fulfilment of any statutory obligation;
3. Information shared is in the interest of other shareholders/stakeholders and
4. Information is not being shared for personal benefit even if it may result in personal gain consequently.

The Company shall execute an agreement with, or communicate to, all Insiders, who are in possession of UPSI, for confidentiality/ non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, and shall not otherwise trade in securities of the company when in possession of unpublished price sensitive information.

MAINTENANCE OF STRUCTURED DIGITAL DATABASE:

The Company shall maintain a structured digital database containing the names of such persons or entities as the case may be with whom information is shared under this code read with PIT Regulations, along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available.

The said digital database shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.

**POLICY FOR PROCEDURE OF INQUIRY IN CASE OF LEAK OF
UNPUBLISHED PRICE SENSITIVE INFORMATION ("UPSI")**

**[Under Regulation 9A of SEBI (Prohibition of Insider
Trading) Regulations, 2015]**

The SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 has mandated every listed company to formulate a written policy and procedures for inquiry in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information and initiate appropriate inquiries on becoming aware of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information and inform the Board promptly of such leaks, inquiries and results of such inquiries.

In this regard, Board of Directors of Mazda Limited laid down this policy for procedure of inquiry in case of leak of Unpublished Price Sensitive Information or suspected leak of Unpublished Price Sensitive Information ('the policy'), for adoption.

This Policy for Procedure of Inquiry in case of Leak of Unpublished Price Sensitive Information (“**Policy**”) came into force with effect from 1st April, 2019 in accordance with SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018.

OBJECTIVES:

The policy have following objectives:

- (i). To strengthen the internal control system to prevent leak of UPSI.
- (ii). To restrict and prohibit the practice of sharing of UPSI, with the un-

authorized person, which originates from within the company and which affects the market price of the Company as well as loss of reputation and investors' / financiers' confidence in the company.

- (iii). To have a uniform code to curb the un-ethical practices of sharing UPSI by Insiders, Employee(s) & Designated Persons with any person, firm, Company or Body Corporate.
- (iv). To initiate inquiry in case of leak of UPSI or suspected leak of UPSI and inform the same to the Securities and Exchange Board of India ("SEBI") promptly.
- (v). To penalize any Insider, Employee & Designated Persons who appears to have found guilty of violating this policy.

The Company endeavours to preserve the confidentiality of un-published price sensitive information (UPSI) and to prevent misuse of such information. The Company shall strive to restrict and prohibit the practice of sharing of UPSI which originates from within the company by any promoter, director, key managerial person, insider, employee, designated person, support staff or any other known or un-know person(s) with any un-authorized person which affects the market price of the Company as well as causes loss of reputation and investors' / financiers' confidence in the Company.

Leak of UPSI shall mean communication of information which is / shall be UPSI by any Insider, Employee & Designated Persons or any other known or unknown person to any person other than a person(s) authorized by the Board after following the due process prescribed in this behalf in the Code of Practices Fair Disclosure of the Company and /or under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or SEBI (Prohibition of Insider Trading) Regulations, 2015 and any amendment, re-amendment or re-enactment thereto.

DISCLOSURE OF ACTUAL OR SUSPECTED LEAK OF UPSI TO STOCK EXCHANGES:

On becoming aware of actual or suspected leak of Unpublished Price Sensitive Information of the Company, the Compliance Officer shall ensure that the same shall be promptly intimated to the Stock Exchanges on which the securities of the Company are listed in the format as prescribed.

REPORT OF ACTUAL OR SUSPECTED LEAK OF UPSI TO SEBI:

On becoming aware of actual or suspected leak of Unpublished Price Sensitive Information of the Company, the Compliance Office shall ensure that a report on such actual or suspect leak of UPSI, preliminary enquiry thereon and results thereof shall be promptly made to the SEBI in the format as prescribed.

PROCEDURE FOR ENQUIRY IN CASE OF LEAK OF UPSI:

On suo-moto becoming aware or otherwise, of actual or suspected leak of Unpublished Price Sensitive Information of the Company by any promoter, director, key managerial person, insider, employee, designated person, support staff or any other known or un-know person, the Compliance Officer after informing the same to the Managing Director or CEO or Chief Financial Officer of the Company, shall follow the below mentioned procedure in order to enquire and/or investigate the matter:

(a) To take Cognizance of the matter:

The Audit Committee shall meet within a period of one week after receipt of the information of actual or suspected leak of unpublished price sensitive information and take cognizance of the matter and decide as follows.

- (i). If it is found that the allegation is frivolous, not maintainable or outside the scope, the same may be dismissed.

- (ii). If it is found that the issue requires further investigation, Preliminary Enquiry may be initiated.

(b) Preliminary Enquiry:

Preliminary enquiry is a fact-finding exercise which shall be conducted by the Compliance Officer. The object of preliminary enquiry is to ascertain the truth or otherwise of the allegations contained in the information or complaint, if any, and to collect necessary available material in support of the allegations, and thereafter to decide whether there is justification to embark on any disciplinary action.

The Audit Committee, if required and in addition to Compliance Officer may also appoint and / or authorize any person(s), as it may deem fit, to initiate/conduct an enquiry to collect the relevant fact, material substances on actual or suspected leak of UPSI.

If an inquiry has been initiated by a listed company in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information, the relevant intermediaries and fiduciaries shall co-operate with the listed company in connection with such inquiry conducted by listed company.

(c) Report of Preliminary Enquiry to the Enquiry Committee:

The Compliance Officer or Person(s) appointed/authorized to enquire the matter of actual or suspected leak of UPSI submit his/her report to the Audit Committee within one week from the date of his appointment on this behalf.

(d) Disciplinary Action:

The Disciplinary action(s) shall include wage freeze, suspension, recovery, clawback, termination of employment contract/agreement etc., as may be decided by the Members of the Committee.

AMENDMENTS:

The Board of Directors of the Company, in sync with applicable laws, rules & regulations, may amend/substitute any provision(s) with a new provision(s) or replace this entire code with a new code. In any circumstance where the terms of the Code differ from any law, rule, regulation etc. for the time being in force, the law, rule, regulation etc. shall take precedence over the code.

Any amendment to the Code, upon approval of the Board of the Company shall be intimated to the Stock Exchanges and shall also be updated in the company's official website.
