

DIAGEO

INDIA

United Spirits Limited

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April 01, 2019

1. National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G
Bandra Kurla Complex, Bandra (East)
Mumbai - 400 051
Scrip Code: MCDOWELL-N
2. BSE Limited
(Regular Office & Corporate Relations Dept)
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001
Scrip Code: 532432

Dear Sir/Madam,

Sub: Disclosure under Regulation 8(2) of SEBI (Prohibition of Insider trading) Regulations, 2015.

Pursuant to Regulation 8(2) of SEBI (Prohibition of Insider trading) Regulations, 2015 as amended from time to time, we submit herewith the revised Code of Internal procedures, Fair disclosure and conduct for Regulating, Monitoring and Reporting trading by Insiders ("Code") adopted by the Board of Directors which shall come into effect from April 1, 2019.

Kindly find the code enclosed and take the above in your record and acknowledge the receipt.

Yours faithfully,
for **United Spirits Limited**



V Ramachandran
Company Secretary



UNITED SPIRITS LIMITED

CODE OF INTERNAL PROCEDURES, FAIR DISCLOSURE AND CONDUCT FOR REGULATING, MONITORING AND REPORTING TRADING BY INSIDERS

PURSUANT TO REGULATION 9 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015

Adopted by the board of directors on July 23, 2015 and further revised wef April 1, 2019

1 INTRODUCTION

- Insider Trading means trading in the shares/securities of the Company by the Connected Persons or persons having the unpublished price sensitive information (UPSI) in order to make gain or avoid loss based on the UPSI, which create an unfair advantage to a few in detriment to the larger section of investors who are not privy to those UPSI.

The Company has been strictly adhering to the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time (“Regulations”) and pursuant to the Regulations, Board of Directors of the Company adopted Code of Internal Procedures, Fair Disclosures and Conduct for regulating, monitoring and reporting Trading by Insiders and the last amended Code was adopted by the Board in its meeting held on July 23, 2015.

Pursuant to the amendment to the Regulations in December 2018 and January 2019, it is proposed to amend the existing Code, which shall come into force from April 1, 2019.

This Code supersedes and replaces the Company’s existing code of conduct on insider trading.

2 DEFINITIONS, APPLICABILITY AND CLARIFICATIONS

2.1 Terms used in this Code (that have their first letter capitalized) have the meanings given in Schedule 1, unless the context otherwise requires. Terms that are not defined in this Code have the meanings given in the Regulations.

2.2 This Code applies to all directors, Designated Persons and their Immediate Relative and other Insiders and Connected Persons and Persons in possession or access to UPSI as envisaged by the Regulations. This Code deals with: (a) the handling of Unpublished Price Sensitive Information (see para 3 below); (b) trading in securities by Insiders (see para 4 below); and (c) disclosures required to be made by certain persons with respect to their holding of and trading in securities of the Company (see para 5 below).

2.3 If any person requires clarifications regarding this Code or the Regulations, e.g., whether any information constitutes Unpublished Price Sensitive Information, whether a trade requires prior clearance or triggers disclosures, please seek immediate clarification from the Compliance Officer appointed under this Code (see para 6 below).

3 HANDLING OF UNPUBLISHED PRICE SENSITIVE INFORMATION

3.1 All Unpublished Price Sensitive Information must be handled on a Need to Know Basis only 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. Each department head shall ensure 'Chinese Walls' are used to manage and control the dissemination of Unpublished Price Sensitive Information by employees within their departments, and with employees in other departments, so that all Unpublished Price Sensitive Information is disseminated or accessible on a Need to Know Basis only.

3.2 The members of Executive Committee (Ex Com) shall ensure that no employee below such rank as they may decide based on the need to know such information, shall be provided access rights to information in any other department, without the approval of the department head of the concerned department in which access rights are granted.

3.4. Policy for determination of legitimate purposes

Sharing of Unpublished Price Sensitive Information shall only be for legitimate business purpose which shall include the following-

sharing of unpublished price sensitive information in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals, rating agencies, statutory authorities, regulatory bodies, industry associations or other advisors or consultants, parent or holding Company(ies), its affiliates and employees for the purpose of preparation of consolidated accounts on a group-wide basis, rendering services on a shared business services model, provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations.

3.5 Any person in receipt of unpublished price sensitive information pursuant to a "legitimate purpose" as per 3.4 above shall be considered an "insider" for purposes of these regulations and due notice shall be given by the insider sharing such information to such persons to maintain confidentiality of such unpublished price sensitive information in compliance with this code.

3.6 All employees in possession of Unpublished Price Sensitive Information should ensure that relevant files are kept secure and under lock and key. When transmitting or sharing Unpublished Price Sensitive Information through electronic media, such information should be clearly marked 'Highly Confidential'.

3.7 Policies for preventing leakage of information

i. The Chief Executive Office, Chief Financial Officer, Company Secretary, Financial Controller, Excom members or the General Counsel, jointly by any two of them, shall have the authority to initiate appropriate inquiries on becoming aware of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information and shall inform the Board promptly of such leaks, inquiries and findings of such inquiries together with the recommendation for remedial action and recommendation for disciplinary action, if any as recommended as per 3.7(ii) and 3.7(iv).

ii. Chief Compliance Officer (CCO) of the Company responsible for investigation into violation of the Code of Business Conduct (COBC) of the Company shall be responsible for inquiry in case of leak of unpublished price sensitive information or suspected leak of

unpublished price sensitive information based on the inquiry initiated as per 3.7 (i) above. CCO shall follow the Company procedure to undertake investigation.

iii. Speak up/ whistleblower policy of the Company shall also include such leakage of information and employees can make use of such policy to report instances of leak of unpublished price sensitive information. If an inquiry has been initiated by the said Chief Compliance Officer 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 company in connection with the said inquiry.

iv. Terms of reference of the CCO

CCO investigating or inquiring into the issues of leakage of information shall have authority to engage external agents, consultants, experts and seek statements of employees and other stakeholders including cross examination, as may be necessary. CCO shall make a report of the findings of the inquiry and recommend preventive action and disciplinary action for possible violation or breach of this Code, COBC and/ or of confidentiality obligations of the employees and other stakeholders. CCO shall also place the summary of the findings before the Audit Committee at the next Audit Committee meeting.

3.8 Sensitive Transactions: Any person who is required to be included as an 'Insider' on sensitive transactions shall sign a Confidentiality / Non Disclosure Agreement unless their terms of engagement includes such clauses of confidentiality or are covered as per applicable policies of the Company. Such persons shall familiarise with the duties and responsibilities attached to the receipt of Inside Information including requirement to comply under this Code and the liability that attaches to misuse or unwarranted use of such information.

4 TRADING

Trading Generally

4.1 All Designated Persons and their Immediate Relatives shall only trade in securities of the Company when the Trading Window is open. Normally the Trading Window shall be closed in each calendar quarter, from the first calendar day of the first month of such quarter, until (and including) the end on the second Day from the date of declaration of results for the previous calendar quarter. (For example, if the Board approves the results of the April to June quarter on July 23, the Trading Window will close on July 1 and open on the third Day after July 23.)

The meeting of the Audit Committee for recommending the Financial statements for approval of the Board and the meeting of the Board of Directors for approval of the Financial Statements every quarter and year end shall be as narrow as possible preferably on the same day to avoid leakage of material information.

4.2 Apart from this, the Compliance Officer shall also be authorized to close the trading window for some of the Designated Persons to the exclusion of others and to include any person as Designated Person or as requiring pre-clearance of trading, under the Code, as may be decided from time to time by the Audit Committee, depending on any material event that is in the nature of Unpublished Price Sensitive Information.

4.3 The Compliance Officer shall determine and notify the time of opening and closing of the Trading Window in accordance with the Regulations and the Listing Agreement.

4.4 When the Trading Window is open, all trading by Designated Persons shall either be (a) subject to pre-clearance by the Compliance Officer, or (b) in accordance with a previously approved and published Trading Plan.

Pre-Clearance Trading

4.5 Designated Persons who wish trade in Company securities based on pre-clearance by the Compliance Officer should follow the procedures in Schedule 2 of this Code, subject always to the following.

4.6 A Designated Person shall not apply for pre-clearance of any proposed trade if such Designated Person is in possession of Unpublished Price Sensitive Information at that time.

4.7 Pre-Clearance shall be required for all trades by a Designated Person if: (a) such trades are not covered by an approved and published Trading Plan; and (b) the aggregate value of all trades during any calendar quarter by such Designated Person equals or exceeds Rs 10 lakhs. (For example, if in a calendar quarter, shares worth Rs 7 lakhs have been previously purchased by a Designated Person or his or her Immediate Relatives, such persons shall only be entitled to buy shares up to Rs 3 lakhs in that calendar quarter without pre clearance, since the aggregate of buying should not exceed Rs 10 lakhs in the calendar quarter. Similar restrictions shall apply to sale of shares as well.)

4.8 All Designated Persons shall execute their pre-cleared trade within seven days of receipt of pre-clearance. If the trade is not executed within this time, the Designated Person must get the trade pre-cleared again by following the pre-clearance procedure.

4.9 If a Designated Person or his or her Immediate Relative executes a pre-cleared trade, they shall not execute a contra trade during the next six months (i.e., if a person has bought the shares, he cannot sell for six months and if a person has sold the shares he cannot buy for six months), unless the Compliance Officer grants a specific exemption allowing such contra trade, in accordance with the Regulations and for reasons to be recorded in writing.

4.10 If a contra trade is executed, inadvertently or otherwise, in violation of the Regulations, the profits from such contra trade shall be liable to be disgorged for remittance and credit to the Investor Protection and Education Fund administered by SEBI under the Companies Act, 2013.

Trading Plans

4.11 Insiders who wish to trade in Company securities based on a pre-approved and published Trading Plan should follow the procedures and requirements specified in Schedule 2 of this Code, and observe the applicable provisions of the Regulations in this regard. Provided that implementation of a Trading Plan shall not be commenced and the Trading Plan shall not be implemented if such commencement or implementation is contrary to the Regulations or this Code.

4.12 The Compliance Officer shall review the Trading Plan to assess whether it potentially violates the Regulations. Prior to approving any Trading Plan the Compliance Officer shall be entitled to take such further express undertakings as may be necessary to enable such assessment, approve and monitor the Trading Plan, ensure compliance with the Regulations, or as may otherwise be necessary or desirable in the best interests of the Company. On approval, the Compliance Officer shall notify the approved Trading Plan to the stock exchanges on which the Company's securities are listed.

4.13 An approved Trading Plan is irrevocable. The Insider must mandatorily implement the Trading Plan without any deviation and without conducting any trades in Company securities that are outside the Trading Plan, except where the Regulations provide otherwise.

5 DISCLOSURES

5.1 To the extent not previously disclosed, every Promoter, Director and Key Managerial Personnel shall disclose his or her holding of securities of the Company within seven days of the date on which the Board adopts this Code. Every person appointed as a Key Managerial Personnel or Director, and every person who becomes a Promoter shall disclose his, her or their holding of securities of the Company as on the date of such appointment or becoming a Promoter, within seven days of such appointment or of becoming a Promoter, as applicable.

5.2 Every Promoter, Director and Designated Person of the Company shall disclose the number of 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 equal to or in excess of Rs 10 lakhs. The Compliance Officer shall notify the particulars of such trading to the stock exchanges on which the Company's securities are listed, within two trading days of receipt of the disclosure or on otherwise becoming aware of such information.

5.3 The Compliance Officer may require any other Connected Persons or class of Connected Persons to disclose their holdings and trading in securities of the Company at such frequency as may be determined in order to monitor compliance with these Regulations.

5.4 Designated Persons shall disclose names and Permanent Account Number or any other identifier authorized by law, Phone, mobile and cell numbers of the following persons to the company on an annual basis and as and when there is any change in these particulars:

- a) Designated Persons
- b) Immediate Relatives
- c) persons with whom such designated person(s) shares a material financial relationship

In addition, names of educational institutions from which Designated Persons have graduated and names of their past employers shall also be disclosed on a one time basis. Compliance Officer shall maintain the Database of all such disclosures made from time to time.

Explanation –

- i. The term “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.

Compliance Officer shall ensure that a structured digital database is maintained containing the names of such persons or entities as the case may be with whom information is shared under this regulation along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such databases shall be maintained with adequate internal controls and checks such as time stamping and audit

trails to ensure non-tampering of the database. Audit Committee shall review compliance with the Regulations once every financial year and shall verify and review the systems of internal controls for adequacy and operational effectiveness.

6 COMPLIANCE OFFICER

6.1 Unless otherwise specified by the Board, the Company Secretary is designated as the Compliance Officer for purposes of this Code and shall report to the Board for such purposes as required by the Regulations. In the event of any temporary absence of the Compliance Officer, any senior level employee designated by the Company's Managing Director shall act as the Compliance Officer.

6.2 The Compliance Officer shall perform such duties and obligations as may be prescribed under the Regulations or required by this Code, including with respect to providing clarifications, obtaining information, maintaining records, monitoring holdings and trades, and notifying the stock exchanges and SEBI.

6.3 The Compliance Officer shall report to the Board and in particular shall provide reports to the Chairman of the Audit Committee of the Board at least quarterly with regard to disclosures received under this Code and the Regulations, and on the operation of this Code generally.

7 PENALTIES

7.1 Every Designated Person or other Insider covered by this Code is individually responsible for complying with this Code and the Regulations (including to the extent provisions apply to his/ her Immediate Relatives). Failure to comply with the Regulations or this Code could result in severe civil and criminal penalties. Penalties under this Code shall not preclude SEBI from taking any action for violation of the Regulations.

7.2 Any Designated Person who trades in securities or communicates any Unpublished Price Sensitive Information for trading in securities in contravention of this Code of Conduct may be penalized and appropriate action may be taken against him or her, which action shall include disciplinary action, wage freeze, termination of employment, suspension or such other action as may be decided by the Board or any person designated by the Board in this regard.

7.3 If any Designated Person believes that he or she has violated the Regulations or this Code, such Designated Person shall promptly report such violation to the Compliance Officer who shall inform the same to the Board and to SEBI for further action. If a Designated Person becomes aware of any conduct on the part of any other Designated Person, which conduct violates the provisions of this Code or the Regulations, it shall be the duty of the first-named Designated Person to report the same to the Compliance Officer, who shall inform the same to the Board and to SEBI for further action.

8 MISCELLANEOUS

8.1 All applications and disclosures under this Code shall be made in the formats specified under the Regulations. If no formats are specified in the Regulations for any application or disclosure, the Compliance Officer shall specify the format for the same in accordance with the Regulations. Copies of all relevant formats may be obtained from the Compliance Officer. All correspondence sent to the Compliance Officer in relation to this Code or any matters covered by this Code should be clearly marked as *Confidential*.

8.2 The Board reserves the right to change or amend this Code from time to time, at its sole discretion, or if required by the Regulations. Provided that the Compliance Officer may modify the procedures in Schedule 2, if required. Any such modifications shall be consistent with the Regulations. In addition, any modifications to the procedures made by the Compliance Officer shall be notified to the Board at the meeting of the Board that immediately follows such modification.

8.3 Fiduciaries covered by the Code shall be informed to comply with Minimum Standards of Code of Conduct for Intermediaries and Fiduciaries to regulate, monitor and report trading by Designated Persons of such Intermediaries and Fiduciaries in terms of Schedule C of the Regulations.

SCHEDULE 1: DEFINITIONS

- a. **Board** means USL's board of directors as constituted from time to time;
- b. **Code** means this code of internal procedures and conduct to regulate, monitor and report trading by employees and connected persons pursuant to the Regulations, as amended from time to time;
- c. **Company** means United Spirits Limited;
- d. **Compliance Officer** has the meaning given in the Regulations;
- e. **Connected Person** has the meaning given in the Regulations;
- f. **Designated Employees** mean the following persons.
 - i. All directors of the Company, and of its wholly owned subsidiaries and of its material subsidiaries, and their respective secretaries, personal assistants and executive assistants;
 - ii. All Key Managerial Personnel of the Company, and of its wholly owned subsidiaries and of its material subsidiaries, and their respective secretaries, personal assistants and executive assistants;
 - iii. All senior management personnel as per the list provided by the Company's human resources department, and their respective secretaries, personal assistants and executive assistants;
 - iv. Such other employees working in the Company's finance and accounts department, corporate communications department, company secretary's department, legal department, and internal audit department as possess or are likely to be in possession of Unpublished Price Sensitive Information in the course of their work, or are identified as Designated Employees by the concerned head of department time; and
 - v. All employees in the chairman's office.
- g. **Designated Persons** mean the following persons.
 - i. Employees, intermediary or fiduciary designated on the basis of their functional role or access to unpublished price sensitive information in the organization by their board of directors or analogous body;
 - ii. Employees of material subsidiaries of United Spirits Limited designated on the basis of their functional role or access to unpublished price sensitive information in the organization by their board of directors
 - iii. All promoters of listed companies and promoters who are individuals or investment companies for intermediaries or fiduciaries;
 - iv. Other persons associated with the Company's functioning and having either a fiduciary or contractual relationship with the Company that would be expected to give such persons access to Unpublished Price Sensitive Information, including the Company's statutory auditors, accountancy firms, law firms, analysts and consultants, assisting or advising the Company or its wholly owned or material subsidiaries, and their respective team members.

(v) Chief Executive Officer and employees upto two levels below Chief Executive Officer of the company,, its intermediary, fiduciary and its material subsidiaries irrespective of their functional role in the company or ability to have access to unpublished price sensitive information;

- (vi) Any support staff of the company, intermediary or fiduciary such as IT staff or secretarial staff who have access to unpublished price sensitive information.
- Explanation- Professional firms such as auditors, accountancy firms, law firms, analysts, insolvency professional entities, consultants, banks etc., assisting or advising the Company shall be collectively referred to as fiduciaries for the purpose of these regulations.

h. Immediate Relative means a spouse of person (irrespective of dependency or otherwise) and includes parent, sibling and child of such person or of the spouse, any of whom is either dependant financially on such person, or consults such person in taking decisions relating to trading in securities.

i. Insider has the meaning given in the Regulations;

j. Key Managerial Personnel has the meaning given in the Companies Act, 2013, as amended from time to time;

k. Listing Agreement means the listing agreement entered into by the Company with the stock exchanges in India, on which securities of the Company are listed.

l. Need to Know Basis means in relation to the handling of any Unpublished Price Sensitive Information, the handling of such Unpublished Price Sensitive Information only in furtherance of a legitimate purpose, performance of duty, or discharge of legal obligations.

m. Promoter has the meaning assigned under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and includes the following Promoters for the time being and any other person that becomes a Promoter.

- Dr Vijay Mallya;
- Mallya Pvt Ltd;
- United Breweries (Holdings) Ltd;
- Devi Investments Pvt Ltd;
- Vittal Investments Pvt Ltd;
- Rossi & Associates Pvt Ltd;
- Kingfisher Finvest India Ltd;
- Relay BV; and

- Diageo plc.
 - n. **Regulations** mean the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time;
 - o. **Trading Window** means such trading period as is specified by the Compliance Officer from time to time, in accordance with the Regulations, and during which the Company's securities may be traded.
 - p. **Unpublished Price Sensitive Information** has the meaning given in the Regulations (i.e., any information, relating to the 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 securities of the Company and shall, ordinarily include but not be restricted to, information relating to the following: (i) financial results; (ii) dividends; (iii) change in capital structure; (iv) mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions; (v) changes in key managerial personnel; and (vi) material events in accordance with the Disclosure Policy and other policies and guidelines of the Company.

SCHEDULE 2: PRE-CLEARANCE OF TRADES AND TRADING PLANS

All applications (including for pre-clearance of trade, trading plans or exemptions from contra trades), should be made to the Compliance Officer, including such details as are required in the relevant application format.

When submitting these applications, the Designated Person must also submit a declaration in favour of the Company if so required by the Compliance Officer.

Two copies of the application and declaration should be submitted by the Designated Person to the Compliance Officer. The Compliance Officer will retain one copy and return the other to the Designated Person, with the decision of the Compliance Officer endorsed on it. Alternatively, the Designated Person could also seek approval over an email communication which shall be treated as evidence for the purpose of seeking clearance and for approval under this Code.

The Compliance Officer will ordinarily decide on the application for pre-clearance and contra trades within two working days of receipt of the application. The Compliance Officer shall maintain a confidential "restricted list" of securities, which shall be used as the basis for approving or rejecting pre-clearance of trades.

The Compliance Officer will ordinarily decide on application for Trading Plans within ten working days of receipt of the application. When receiving any declaration, the Compliance Officer shall have regard to whether any such declaration is reasonably capable of being rendered inaccurate.

Whenever a Designated Person does not trade within seven Trading Days after securing pre-clearance, the Designated Person shall report such decision not to trade, with reasons for such decision, to the Compliance Officer.

The Compliance Officer shall only approve applications that conform to the requirements set out in the Regulations and the Code.

All approved Trading Plans shall be published as required by the Regulations.