

HIGHLY CONFIDENTIAL**PIONEER DISTILLERIES LIMITED****CODE OF INTERNAL PROCEDURES 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 August 19, 2015

1 INTRODUCTION

New insider trading Regulations came into effect on May 16, 2015,¹ and the Company's Board has adopted this Code of conduct to regulate, monitor and report insider trading, as required by the new insider trading Regulations. 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, employees and other Insiders. This Code deals with: (a) the handling of Unpublished Price Sensitive Information (see para 3 below); (b) trading in securities by Insiders (see para 4 below); and (c) disclosures required to be made by certain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If any person requires clarifications regarding this Code or the Regulations, e.g., whether any information constitutes Unpublished Price Sensitive Information, whether a trade requires prior clearance or triggers disclosures, please seek immediate clarification from the Compliance Officer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3 HANDLING OF UNPUBLISHED PRICE SENSITIVE INFORMATION

3.1 All Unpublished Price Sensitive Information must be handled on a Need to Know Basis only. It is clarified that Unpublished Price Sensitive Information should not be disclosed to any persons, including other Insiders, except on a Need to Know Basis.

3.2 Each department head shall ensure 'Chinese Walls' are used to manage and control the dissemination of Unpublished Price Sensitive Information by employees within their departments, and with employees in other departments, so that all Unpublished Price Sensitive Information is disseminated or accessible on a Need to Know Basis only.

3.3 All employees in possession of Unpublished Price Sensitive Information should ensure that relevant files are kept secure and under lock and key.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

¹ Copy available at: http://www.sebi.gov.in/cms/sebi_data/attachdocs/1421319519608.pdf.

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Unpublished Price Sensitive Information through electronic media, such information should be clearly marked 'Highly Confidential'.

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.)

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

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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 employee 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.

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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 Chairman/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

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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.

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Board means PDL's board of directors as constituted from time to time;

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;

Company means Pioneer Distilleries Limited;

Compliance Officer has the meaning given in the Regulations;

Connected Person has the meaning given in the Regulations;

Designated Employees mean the following persons.

- 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;
- 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;
- 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; and
- Such other employees working in the Company's finance and accounts 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.

Designated Persons mean the following persons.

- All Designated Employees;
- 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.

Immediate Relative has the meaning given in the Regulations;

Insider has the meaning given in the Regulations;

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

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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.

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.

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.

- United Spirits Limited

Regulations mean the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time;

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.

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 listing agreement/regulations).

HIGHLY CONFIDENTIAL**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.