



## RADICO KHAITAN LIMITED

### CODE OF CONDUCT FOR PROHIBITION OF INSIDER TRADING

#### Introduction

Radico Khaitan Limited (the “**Company**”) on an ongoing basis endeavors to apply best practices in relation to corporate governance requirements. As a part of its efforts, the Company undertakes to regulate, preserve and manage Unpublished Price Sensitive Information and its abuse.

Securities and Exchange Board of India (“SEBI”) vide its Notification dated January 15, 2015, had issued the SEBI (Prohibition of Insider Trading) Regulations, 2015 and further amended the same vide its notification dated December 31, 2018 by introducing the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 and last amended in 2020 with the objective to put in place a framework for prohibition of insider trading in securities and to strengthen the legal framework thereof. The said Regulations prescribes all listed companies to formulate and publish code of conduct with the approval of the Board and to regulate, monitor and report trading of its securities by its designated persons and immediate relatives of designated persons towards achieving compliance with the Regulations, adopting minimum standards as set out in Schedule B of the Regulations, without diluting the provisions of the Regulations in any manner.

In furtherance to the mandates under SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, the Company hereby notifies this code of conduct (“Code of Conduct”) effective from April 01, 2019. It is framed to achieve the above mentioned objectives and is to be followed by all Directors, designated persons, their immediate relatives and other connected persons.

#### Definitions

In this Code, unless the context otherwise requires:

- (i) “**Company**” means Radico Khaitan Limited.
- (ii) “**SEBI Act**” means the Securities and Exchange Board of India Act, 1992 (15 of 1992) as amended from time to time.
- (iii) “**Board**” means the Securities and Exchange Board of India.
- (iv) “**Board of Directors**” means the Board of Directors of the Company.
- (v) “**Compliance Officer**” means the Company Secretary or such other senior officer designated so, reporting to the Board of Directors, who is financially literate and is capable of appreciating requirements for legal & regulatory compliance under these regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of Unpublished Price

Sensitive Information, monitoring of trades and the implementation of the codes and policies specified in the Regulations under the overall supervision of the Board of Directors of the Company.

**(vi) “Code”** means this Code of Conduct formulated for Regulating, Monitoring and Reporting by Insiders under SEBI (Prohibition of Insider Trading) Regulations, 2015 read with SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, as amended from time to time.

**(vii) “Connected Person”** includes:

(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 Unpublished Price Sensitive Information or is reasonably expected to allow such access.

(B) 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 vii(A) above; 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 recognized 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 the Company or his immediate relative or banker of the Company, has more than ten per cent, of the holding or interest.

**(viii) “Dealing in Securities”** means an act of subscribing, buying, selling or agreeing to subscribe, buy, sell or deal in any securities by any person either as principal or agent;

**(ix) "Designated Persons"** shall include:

- (a) Every Promoter of the Company
- (b) Every Director of the Company
- (c) Chief Executive Officer and employees upto two levels below Chief Executive Officer of the Company namely Senior Vice President, Vice President and Assistance/Associate Vice President.
- (d) Every employee in the Corporate Secretarial, Insurance, Taxation, Accounts, IT & Legal department irrespective of their role, designation etc.
- (e) Any other employee /person as may be determined by the Board of directors from time to time in consultation with the management of the Company considering the objectives of the Code; and
- (f) Immediate Relatives of all the above persons.

**(x) "Director"** means the Director as defined under Companies Act, 2013.

**(xi) "Employee"** means every employee of the Company whether permanent or contractual basis including the Directors in the employment of the Company.

**(xii) "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.

**(xiii) "Generally available information"** means information that is accessible to the public on a non- discriminatory basis;

**(xiv) "Insider"** means any person who is:

- (i) a connected person; or
- (ii) in possession of or having access to Unpublished Price Sensitive Information;

**(xxiv) "Key Managerial Personnel"**, in relation to a company, means—

- (a) the Chief Executive Officer or the managing director or the manager;
- (b) the company secretary;
- (c) the whole-time director;
- (d) the Chief Financial Officer;
- (e) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
- (f) such other officer as may be prescribed under the Companies Act, 2013, from time to time.

**(xv) "Legitimate Purpose"** shall include sharing of Unpublished Price Sensitive Information in ordinary course of business by an Insider with Partners, Collaborators/ Lenders, Customers, Suppliers, Merchant Banker, Legal Advisors, Auditors, Insolvency

Professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations.

- (xvi) **"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 a conflict of interest or appearance of misuse of the information.
- (xvii) **"Promoter"** 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;
- (xviii) **"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.
- (xix) **"Securities"** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 or any modification thereof, except units of a mutual fund.
- (xx) **"Sensitive Transactions"** shall mean any proposed / ongoing transaction or activity of relating to Radico Khaitan Limited and/or its securities, directly or indirectly, information of 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 but not restricted to, information relating to the transaction(s) and/or events as mentioned in the definition of Unpublished Price Sensitive Information of this Code.
- (xxi) **"Stock Exchange"** means National Stock Exchange of India Ltd. and BSE Ltd.
- (xxii) **"Takeover Regulations"** means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;
- (xxiii) **"Trading"** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly ;
- (xxiv) **"Trading day"** means a day on which the recognized stock exchanges are open for trading.
- (xxv) **"Trading window"** means trading period for trading in the Company's Securities. All days shall be the trading periods except when trading window is closed.
- (xxvi) **"Unpublished Price Sensitive Information" ("UPSI")** shall mean any information, relating to the company or its securities, that is not generally available, whether directly or indirectly, which upon becoming generally available, is likely to materially affect the

price of the securities and shall, ordinarily be including but not restricted to, information relating to the following:

- (a) Periodical Financial Results of the Company;
- (b) Dividends;
- (c) Change in capital structure;
- (d) mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions;
- (e) changes in key managerial personnel
- (f) Any other event as may be determined by the Compliance officer which is likely to materially affect the price of the Securities of the company.

**(xxvii) “Regulations”** shall mean the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto.

**(xxviii) “Whistle Blower”** means an employee who reports instance of leak of price sensitive information under this Policy.

Terms that have not been defined in this code shall have the same meaning assigned to them in the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or any other SEBI Regulation(s) as amended from time to time.

#### **Role of Compliance Officer**

- (i) The Company has appointed the Group Head Legal & Company Secretary of the Company as the Compliance Officer for the purposes of compliance under this Code of Conduct.
- (ii) The Compliance officer shall report to the Board of the company and in particular, shall provide reports to chairman of the Audit committee and to the chairman of the Board of Directors in relation to the mandates of the Regulations and Code of Conduct.
- (iii) The Compliance officer shall assist all employees, designated persons and their immediate relatives in addressing any clarifications regarding the Regulations and the code.
- (iv) The Compliance officer shall monitor, review and Pre approve all Trading Plans.
- (v) The Compliance Officer shall, based on his discretion and occurrence of specific events detailed in this Code of Conduct, regulate and monitor the Trading Window of the securities of the Company.
- (vi) The Compliance Officer may inquire any employee, designated persons and their immediate relatives in relation to Trading of securities and handling of Unpublished Price Sensitive Information of the Company.

- (vii) The Compliance Officer may require any other persons (law firms, consultants, Auditors, investment bankers, vendors, customers, bankers etc.) to disclose shareholding and trading in securities of the Company.
- (viii) The Compliance Officer shall assist the Company in formulation of Chinese walls and Crossing the Wall policy in order to regulate the abuse of Unpublished Price Sensitive Information.
- (ix) The Compliance Officer shall confidentially maintain a list of such securities as a restricted list which shall be used as their basis for approving or rejecting application for pre-clearance of trades.
- (x) The Compliance Officer shall implement this Code under the general supervision of the Audit Committee and the overall supervision of the Board of the Company.
- (xi) The Compliance Officer shall close the trading window for such periods as he may deem fit in compliance with the provisions of this Code and the Regulations and shall inform the Designated Persons of the same.
- (xii) The Compliance Officer shall determine when a designated person or class of designated persons can reasonably be expected to have possession of Unpublished Price Sensitive Information for the purpose of closing of trading window. Such closure shall be imposed in relation to such securities to which such Unpublished Price Sensitive Information relates.
- (xiii) The Compliance Officer shall determine timing for re-opening of the trading window after 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.
- (xiv) If in case it is observed by the Compliance officer or came to his knowledge that there has been a violation of the regulations then the Compliance Officer shall inform the Board promptly.

#### **Communication or procurement of Unpublished Price Sensitive Information**

- (i) No insider shall Communicate, provide, or allow access to any unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- (ii) No person shall procure from or cause the communication by any insider of Unpublished Price Sensitive Information, relating to a company or securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

- (iii) Any person in receipt of Unpublished Price Sensitive Information pursuant to a “legitimate purpose” shall be considered an “insider” and due notice shall be given to such persons to maintain confidentiality of such Unpublished Price Sensitive Information in compliance with the regulations.
- (iv) Notwithstanding anything contained in the above para, an Unpublished Price Sensitive Information may be communicated, provided, allowed access to or procured, in connection with a transaction that would:
- (a) entail an obligation to make an open offer under the takeover regulations where the board of directors of the Company is of informed opinion that sharing of such information is in the best interests of the company;
  - (b) not attract the obligation to make an open offer under the takeover regulations but where the board of directors of the Company is of informed opinion that sharing of such information is in the best interests of the company and the information that constitute Unpublished Price Sensitive Information is disseminated to be made generally available at least two trading days prior to the proposed transaction being effected in such form as the board of directors may determine to be adequate and fair to cover all relevant and material facts.
- (v) Board of directors or Compliance officer shall require the parties to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, except for the purposes mentioned in this Code and the Regulations, and shall not otherwise trade in securities of the company when in possession of Unpublished Price Sensitive Information.
- (vi) Board of directors or 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 the regulations 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.
- (vii) The Designated Persons who are privy to Unpublished Price Sensitive Information, shall handle the same strictly on a “*Need to Know*” basis. This means the Unpublished Price Sensitive Information shall be disclosed only to those persons who need to know the same in furtherance of a legitimate purpose, the course of performance or discharge of their duty and whose possession of Unpublished Price Sensitive Information will not in any manner give rise to a conflict of interest or likelihood of misuse of the information.
- (viii) Files containing confidential information shall be kept secure. Computer files must have adequate security of login and pass word, etc. Files containing confidential information should be deleted / destroyed after its use.

## **Prohibition on Dealing, Communicating or Counselling on Matters Relating to Insider Trading**

- (i) Dealing in the Securities of the Company by the Insider on his/its own behalf or on behalf of any other person when in possession of any Unpublished Price Sensitive Information (Unpublished Price Sensitive Information) is strictly prohibited.
- (ii) The Insider shall not communicate, counsel or procure directly or indirectly any Unpublished Price Sensitive Information to any person who while in possession of such Unpublished Price Sensitive Information shall not deal in Company's Securities.
- (iii) The designated persons and their immediate relatives shall not deal in the securities of the company when trading window is closed as per this code.
- (iv) In the case of connected person the onus of establishing , that they were not in possession of Unpublished Price Sensitive Information, shall be on such connected person and in other cases, the onus what be on the Board.

## **Trading window**

All Designated Persons shall execute Trades in the Securities of the Company only in a valid trading period called Trading Window prescribed hereunder and shall not execute any Trade or deal in any transaction involving the purchase or sale of the Company's Securities in their own name or in the name of their Immediate Relatives during the period when the Trading Window is closed or any other period as may be specified by the Company from time to time.

The Trading Window for Trading in Securities of the Company shall be closed for the following purposes:

- (i) Declaration of financial results (quarterly and annual), standalone and consolidated, of the Company;
- (ii) Intended declaration of dividends (both interim and final);
- (iii) Issue of Securities by way of public, bonus, rights issue etc. or buy-back of Securities and changes in capital structure;
- (iv) Change in Key Managerial Personnel;
- (v) Mergers, demergers, amalgamations, acquisitions, delisting, disposals, expansion of business and such other transactions; and
- (vi) Material events in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In addition to the items specified above, the Trading Window shall also 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. Such closure shall be



imposed in relation to such Securities to which such Unpublished Price Sensitive Information relates.

In case of declaration of financial results, the Trading Window shall be closed during the period beginning from the last day of any financial period for which results are required to be announced and ending 48 (forty eight) hours after the public release of such results. In all other circumstances, the time for commencement of closing of Trading Window shall be as determined by the Compliance Officer in consultation with the Board of Directors. The gap between clearance of accounts by the Audit Committee and the Board meeting should be as narrow as possible and preferably on the same day to avoid leakage of material information.

The Compliance Officer after taking into account various factors including the Unpublished Price Sensitive Information in question becoming Generally Available Information and being capable of assimilation by the market, shall decide the timing for re-opening of the Trading Window, which however shall not in any event be earlier than 48 hours after the information becoming Generally Available Information.

Trading Window may be closed by the Company during such time in addition to the above period, as may be deemed fit by the Compliance Officer.

The notice of closure of the Trading Window intimated to the stock exchanges, if any, wherever the Securities of the Company are listed.

### **Trading in Radico Khaitan Limited Securities**

- (i) No insider shall trade in securities that are listed or proposed to be listed on a stock exchange when in possession of Unpublished Price Sensitive Information. When a person who has traded in securities has been in possession of Unpublished Price Sensitive Information, his trades would be presumed to have been motivated by the knowledge and awareness of such information in his possession. However, insider may prove his innocence by demonstrating the circumstances including the following: –

#### **Defense to Individual Insiders:**

- (a) the transaction is an off-market *inter-se* transfer between insiders who were in possession of the same Unpublished Price Sensitive Information without being in breach of this Code and the Regulations and both parties had made a conscious and informed trade decision.

Provided that such Unpublished Price Sensitive Information was not obtained under sub-regulation (3) of regulation 3 of the Regulations.

Provided further that such off-market trades shall be reported by the insiders to the Company within two working days and the Company shall notify the particulars of such trades to the stock exchanges within two trading days from receipt of the disclosure or from becoming aware of such information.

- (b) the transaction was carried out through the block deal window mechanism between persons who were in possession of the Unpublished Price Sensitive Information without being in breach of this Code and regulation 3 of the Regulations and both parties had made a conscious and informed trade decision;

Provided that such Unpublished Price Sensitive Information was not obtained by either person under sub-regulation (3) of regulation 3 of the Regulations.

- (c) the transaction in question was carried out pursuant to a statutory or regulatory obligation to carry out a bona fide transaction.
- (d) the transaction in question was undertaken pursuant to the exercise of stock options in respect of which the exercise price was pre-determined in compliance with applicable regulations.

**Defense to Non-Individual Insiders:**

- (a) the individuals who were in possession of such Unpublished Price Sensitive Information were different from the individuals taking trading decisions and such decision-making individuals were not in possession of such Unpublished Price Sensitive Information when they took the decision to trade; and
  - (b) appropriate and adequate arrangements were in place to ensure that this Code and the Regulations are not violated and no Unpublished Price Sensitive Information was communicated by the individuals possessing the information to the individuals taking trading decisions and there is no evidence of such arrangements having been breached;
  - (c) the trades were pursuant to a trading plan set up in accordance with the Regulations.
- (ii) In the case of connected persons the onus of establishing, that they were not in possession of Unpublished Price Sensitive Information, shall be on such connected persons.

**Chinese Wall**

- (i) To prevent the misuse of confidential information, the Company shall follow "Chinese Wall" procedures separating those areas of the Company which routinely have access to confidential information, considered "inside areas" from those areas which deal with sale/marketing/operations or other departments providing support services, considered "public areas".
- (ii) Demarcation of the various departments as inside area may be implemented by the Company.
- (iii) The employees in inside area may be physically segregated from employees in public area.
- (iv) The employees in the inside area shall not communicate any Price Sensitive Information to anyone in public area.

- (v) In exceptional circumstances, Designated Persons from the public areas may be brought "over the wall" and given confidential information on the basis of "need to know" criteria, under intimation to the compliance officer.

**Pre-clearance of trades:**

- (i) The designated persons of the company who intend to deal in the securities, if the holding whether in one transaction or a series of transactions in any financial year exceeds Rs.10 lacs (market value) in securities of the Company should pre-clear the transactions as per the pre-dealing procedure as described hereunder.

Provided that the pre-clearance is not applicable for subscription to the stock grants upon its vesting. However for any subsequent sale of shares acquired under Employee Stock Options Plans / Schemes (ESOPs), pre-clearance shall be applicable as per limits prescribed as above.

- (ii) Designated persons and their immediate relatives shall not trade in the securities when trading window is closed.
- (iii) Designated Persons may trade in the securities of the Company when the trading window is open, after obtaining approval of the Compliance Officer by submitting an application as per **Annexure 1**, if the limit specified above is breached.
- (iv) A Declaration in **Annexure 2** shall be executed in favour of the Company by such Designated Person incorporating, *inter alia*, the following clauses, as may be applicable:
  - (a) That the Designated Person does not have any access or has not received Price Sensitive Information up to the time of signing the undertaking.
  - (b) That in case the Designated Person has access to or receives Price Sensitive Information after the signing of the undertaking but before the execution of the transaction he/she shall inform the Compliance Officer of the change in his position and that he/she would completely refrain from dealing in the securities of the Company till the time such information becomes public.
  - (c) That he/she has not contravened the code of conduct for prevention of insider trading as notified by the Company from time to time.
  - (d) That he/she has made a full and true disclosure in the matter.
- (v) The Compliance Officer shall not approve any proposed Trade by Designated Person if the Compliance Officer determines that such Designated Person is in possession of Unpublished Price Sensitive Information even though the trading window is open.
- (vi) The Compliance Officer may, after being satisfied that the application and declaration are true and accurate, approve Trading by a Designated Person in **Annexure 3** within 2 trading days, on the condition that the Trade so approved shall be executed within seven trading days following the date of approval.

- (vii) The Designated Persons shall execute their order in respect of securities of the Company within the time period as mentioned in pre-clearance.
- (viii) The Designated Persons shall file within 2 (two) trading days of the execution of the deal, the details of such deal with the Compliance Officer in **Annexure 4**. In case the transaction is not undertaken, a report to that effect shall be filed in the same form.
- (ix) If the order is not executed within the time mentioned in pre-clearance order, the designated person must pre-clear the transaction again.
- (x) All Designated Persons shall also not take positions in derivative transactions in the shares of the Company at any time.
- (xi) Designated Persons and immediate relatives of designated persons in the organisation shall be governed by this code.

### **Opposite transactions in the Securities**

- (i) The Designated Persons shall not, within six months of buying or selling any number of Securities of the Company, enter into an opposite transaction i.e. sell or buy, as the case may be, any number of the Securities of the Company.
- (ii) The Compliance Officer can grant relaxation from strict application of the above restriction after recording the reasons in this regard provided that such relaxation does not violate the Regulations. It may however, be noted that in terms of the Regulations, no such purchase/ sale will be permitted when the Trading Window is closed.
- (iii) Notwithstanding the above, should the Designated Persons execute an opposite transaction, inadvertently or otherwise, in violation of the restrictions set out above, the profits from such trade shall be liable to be disgorged for remittance to SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the SEBI Act, 1992.

### **Sensitive transactions**

The Compliance Officer shall give prior notice to employee who are brought inside on sensitive transaction(s) and also made aware about the duties and responsibilities attached to receipt of inside information and liability that attaches to misuse or unwarranted use of such information on case to case basis. A Non-disclosure Agreement shall be executed with every incoming/existing employee of the Company.

### **Internal Control Mechanism**

- (i) The Chief Executive Officer or Managing Director of the Company shall put in place an adequate and effective system of internal controls to ensure compliance with the requirements of the Regulations to prevent insider trading of securities.
- (ii) The internal controls mechanism shall include the following:
  - (a) All employees who have access to Unpublished Price Sensitive Information shall be identified as designated employee.
  - (b) All Unpublished Price Sensitive Information shall be identified and its confidentiality shall be maintained as per the requirements of this Code and the Regulation.
  - (c) Adequate restrictions shall be placed on communication or procurement of Unpublished Price Sensitive Information as required by this Code and the Regulation.
  - (d) Lists of all employees and other persons with whom Unpublished Price Sensitive Information is shared shall be maintained and confidentiality agreements shall be signed or notice shall be served to all such employees and persons.
  - (e) Compliance of the provisions of this Code and the Regulations.
  - (f) periodic process review to evaluate effectiveness of the internal control mechanism.
- (iii) Audit Committee shall review compliance with the provisions of this Code and the Regulations **at least once in a financial year** and shall verify that the systems for internal control are adequate and are operating effectively.
- (iv) The company shall formulate written policies and procedures for inquiry in case of leak of Unpublished Price Sensitive Information or suspected leak of Unpublished Price Sensitive Information, which shall be approved by board of directors and accordingly shall 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.
- (v) The Company shall make its employees aware of the whistle-blower policy adopted by it to enable employees to report instances of leak of Unpublished Price Sensitive Information.

### **Reporting Requirements for transactions in securities**

- (i) The Compliance officer shall maintain records of all the declarations in the appropriate form given by the designated employees for a minimum period of 5 years.
- (ii) The Compliance officer shall place before the Chairman & Managing Director or a committee specified in this behalf, on a monthly basis all the details of the dealing in the securities by designated employees of the company and the accompanying documents that such persons had executed under the pre-dealing procedure as envisaged in this code.

### **Trading Plan**

- (i) An insider shall be entitled to formulate a trading plan 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. Such trading plan shall:
- (a) not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan;
  - (b) not entail trading for the period between the twentieth trading day prior to the last day of any financial period for which results are required to be announced by the issuer of the securities and the second trading day after the disclosure of such financial results;
  - (c) entail trading for a period of not less than twelve months;
  - (d) not entail overlap of any period for which another trading plan is already in existence;
  - (e) set out either the value of trades to be effected or the number of securities to be traded along with the nature of the trade and the intervals at, or dates on which such trades shall be effected; and
  - (f) not entail trading in securities for market abuse.
- (ii) 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.

Provided that pre-clearance of trades shall not be required for a trade executed as per an approved trading plan.

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

- (iii) 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.

Provided that the implementation of the trading plan shall not be commenced if any Unpublished Price Sensitive Information in possession of the insider at the time of formulation of the plan has not become generally available at the time of the commencement of implementation and in such event the compliance officer shall confirm that the commencement ought to be deferred until such Unpublished Price Sensitive Information becomes generally available information.

- (iv) Upon approval of the trading plan, the compliance officer shall notify the plan to the stock exchanges.

### **Penalty for Insider Trading**

- (i) Insiders and Designated Persons shall be individually responsible for complying with the provisions of the Code (including to the extent the provisions hereof are applicable to his/her dependents).
- (ii) Any Designated Person who trades in securities or communicates any information for trading in securities, in contravention of this Code may be penalized and appropriate action may be taken by the Company.
- (iii) Designated Persons who violate the Code shall also be subject to disciplinary action by the Company, which may include wage freeze, suspension, ineligibility for future participation in employee stock option plans etc.
- (iv) The action by the Company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 2015.

## **Disclosure Requirements**

### **A. Initial Disclosure**

- (i) Every Promoter, member of Promoter Group, Key Managerial Personnel, director of the Company and each of their Immediate Relatives shall disclose his holding of securities of the Company within **thirty days** of these Regulations taking effect as per **Form A** set out in **Annexure 5**.
- (ii) Every person on appointment as a Key Managerial Personnel or a director of the Company or upon becoming a Promoter or member of Promoter Group shall disclose his / her and Immediate Relatives' holding of securities of the Company as on the date of appointment or becoming a promoter, to the Company within **seven days** of such appointment or becoming a promoter, as per **Form B** set out in **Annexure 6**.

### **B. Continual Disclosure**

- (i) Every Promoter, member of the promoter group, designated persons and director of the Company shall disclose to the company as per **Form C** set out in **Annexure 7** 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 ten lakh rupees** or such other value as may be specified .
- (ii) The disclosure as per para (i) above shall be made within two working days of:
  - (a) the receipt of intimation of allotment of shares, or
  - (b) the acquisition or sale of shares or voting rights, as the case maybe.

(iii) Designated persons shall be required to disclose 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:

- (a) immediate relatives
- (b) persons with whom such designated person(s) shares a material financial relationship
- (c) Phone, mobile and cell numbers which are used by them

In addition, the 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.

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.

#### **Disclosure to the stock exchange**

The Compliance Officer shall notify the stock exchanges, particulars of the Trades, within two trading days of the receipt of the Disclosures as mentioned above or from becoming aware of such information.

#### **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 deems fit in order to monitor compliance with these regulations as per **Form D** set out in **Annexure 8**.

#### **Miscellaneous**

- (i) The Board of Directors shall be empowered to amend, modify, interpret this Code and such amendment and modification shall be effective from such date that the Board may notify in this behalf.
- (ii) The Compliance Officer shall maintain (a) updated list of Designated Persons, (b) records of disclosures and pre-clearance applications and undertakings and (c) a confidential list of any ‘restricted securities’ to which the Compliance Officer may require Designated Persons to seek pre-clearance before Trading in such ‘restricted securities’.
- (iii) The Company shall require all Intermediaries and Fiduciaries to formulate and adhere to a code of conduct to achieve compliance with these Regulations. In case such persons observe that there has been a violation of these Regulations, then they shall inform the Board of Directors of the Company promptly.



**CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE  
SENSITIVE INFORMATION  
(Effective from 1<sup>st</sup> April, 2019)**

The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information is a part of this Code of Conduct and the principles under these Codes are to be read harmoniously.

A code of practices and procedures for fair disclosure of Unpublished Price Sensitive Information for adhering each of the principles is set out below:

- I. 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.**
- II. Uniform and universal dissemination of unpublished price sensitive Unpublished Price Sensitive Information to avoid selective disclosure.**
- III. Mr. Mukesh Agarwal is designated as Chief Investor Relations Officer to deal with dissemination of information and disclosure of Unpublished Price Sensitive Information.**
- IV. Prompt dissemination of Unpublished Price Sensitive Information that gets disclosed selectively, inadvertently or otherwise to make such information generally available. A brief code of practices to be followed by the Company is as under:**
  - (i) The disclosure shall be in a uniform manner and shall not be on a selective basis.
  - (ii) Mr. Mukesh Agarwal is designated as Chief Investor Relations Officer (the "CIRO") to deal with dissemination and disclosure of Unpublished Price Sensitive Information in a uniform manner.
  - (iii) The CIRO shall obtain prior approval of Managing Director or the Board of Directors depending on the sensitivity of information before releasing to the media and the analyst.
  - (iv) If any information is accidentally disclosed or selectively disclosed, the person responsible for such disclosure shall promptly intimate the same to CIRO. The CIRO shall make best efforts to make the information generally available.
  - (v) The Company shall disseminate all Unpublished Price Sensitive Information to stock exchanges where its securities are listed and thereafter to news agencies so as to make information generally available.
  - (vi) The disclosure shall be simultaneously made on the Company's website.
  - (vii) The Company shall consider all other modes of disclosure which assures prompt and uniform disclosure.

- (viii) The Company shall always comply with applicable laws in SEBI regulations relation to Takeovers, Insider Trading, and Listing Agreement with the stock Exchanges while disclosure of Unpublished Price Sensitive Information.
- (ix) The CISO will propose necessary changes to this Code of Fair as and when the same are necessitated. The proposal will be considered by the Board of Directors of the Company and, if approved, will take effect immediately following the Board Meeting in which such proposals are approved.

**V. Appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities. A brief code of practices to be followed by the Company is as under:**

- (i) The Directors and Employees shall promptly direct any queries or requests for verification of market rumours received from the stock exchanges or press or media or any other source to CISO.
- (ii) The CISO shall respond to such request for information on the same day without any delay, if required.
- (iii) It is a general policy that the Company shall not respond to any rumours or speculations.
- (iv) The CISO in consultation with the Managing Director shall appropriately comment to the rumours that are likely to affect the price of the securities.
- (v) All request for information, rumours, speculations and their responses, if any, shall be documented by the CISO.

**VI. Ensuring that information shared with analysts and research personnel is not Unpublished Price Sensitive Information. The Company shall be careful while answering to the queries of analysts. Unanticipated questions shall be taken on notice and a considered response shall be given later.**

**VII. Developing best practices to make transcripts or records of proceedings of Meetings with analysts and other investor relations conferences on the Company's website to ensure official confirmation and documentation of disclosures made. A brief code of practices to be followed by the Company is as under:**

- (i) All Employees and Directors shall provide only public information to analyst and research analysts, media, financial institutions etc.
- (ii) In case any unpublished information is to be disclosed to aforesaid entities, the employee proposing to disclose such information shall do so only after consultation and approval from the CISO and the Managing Director.
- (iii) All meetings with the analysts, media personnel, and financial institutions should be documented, recorded or minuted.

**VIII. Handling of all Unpublished Price Sensitive Information on a need-to-know basis. Some of the best practices to be followed in this regard are set out hereunder:**

- (i) Price sensitive information must be handled on a need to know basis.
- (ii) Such 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.
- (iii) Any Unpublished Price Sensitive Information selectively disclosed to any person must be pursuant to consultation and approval from the Board of the Company. The recipient of such information should be appropriately informed of this Code of Conduct and Code of Fair Disclosure.
- (iv) CIRO and Board shall make sure while dealing with third parties that confidentiality agreements or non-disclosure agreements shall be entered into wherever necessary to keep the information confidential.

#### **IX. Process of Public disclosure**

- (i) The Company shall always comply with all applicable laws and Regulations regarding the timely disclosure of Unpublished Price Sensitive Information. In order to ascertain whether the information is price sensitive or not the Company shall take guidance from SEBI Regulations, Accounting Standards, Companies Act 2013 including, SEBI (Prohibition of Insider Trading) Regulations, 2015, Securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) Regulations, 2011.
- (ii) Once Unpublished Price Sensitive Information is ascertained and determined, the Compliance Officer in consultation with the Board or the Chairman of the Company shall take all actions for full and fair disclosure of such information on a uniform basis.
- (iii) The principle method for publicly disclosing Unpublished Price Sensitive Information will be news release. The Company shall use a news service that provides simultaneous distribution to widespread news services, financial media and relevant stock exchanges and regulatory bodies.
- (iv) For disclosure of Unpublished Price Sensitive Information, a draft news release shall be formulated by the department or employee handling such Unpublished Price Sensitive Information in consultation with CIRO. The CIRO in consultation with the Board shall make sure that the news release is in compliance with all the applicable laws.
- (v) The CIRO shall validate all the facts in relation to the news release in order to ascertain that the news release clearly and effectively communicates the intended substance and meaning of the information to the public.
- (vi) Post review and approval, the CIRO and the Board or the Chairman of the Company shall determine a time and date of such disclosure to stock exchanges and regulatory bodies.

#### **X. Sharing of Unpublished Price Sensitive Information for legitimate purpose**

Unpublished Price Sensitive Information is in the nature of information relating to the Company, directly or indirectly, of precise nature that can have an impact on the prices of the securities of the Company, if made public, and therefore till the Unpublished Price Sensitive Information becomes a

generally available information, it can be shared only on a need-to-know basis and for legitimate purposes as provided hereunder:

- (i) Sharing of relevant Unpublished Price Sensitive Information with consultants, advisors engaged by the Company in relation to the subject matter of the proposed deal/ assignment in relation to Unpublished Price Sensitive Information.
- (ii) Sharing of relevant Unpublished Price Sensitive Information with intermediaries/ fiduciaries viz. merchant bankers, legal advisors, auditors in order to avail professional services from them in relation to the subject matter of the Unpublished Price Sensitive Information.
- (iii) Sharing of relevant Unpublished Price Sensitive Information with persons for legitimate business purposes (e.g., attorneys, investment bankers or accountants.
- (iv) Sharing of relevant Unpublished Price Sensitive Information with persons who have expressly agreed in writing to keep the information confidential, such as potential customers, other developers, joint venture partners and vendors, and not to transact in the company's securities on the basis of such information.
- (v) Sharing of relevant Unpublished Price Sensitive Information in case mandatory for performance of duties or discharge of legal obligations

Before sharing of the Unpublished Price Sensitive Information, the concerned person sharing such Unpublished Price Sensitive Information shall comply with the requirements as provided in the Code of Conduct for Prohibition of Insider Trading of the Company and the Regulations.

The Compliance Officer shall maintain record of the details of the recipients including their PAN, Address etc. of Unpublished Price Sensitive Information on legitimate purposes and shall consider following while sharing any Unpublished Price Sensitive Information for legitimate purposes:

- (i) Whether the concerned Unpublished Price Sensitive Information is required to be shared?
- (ii) Why the information is required by the recipient ?
- (iii) Who had shared the Unpublished Price Sensitive Information and whether he was authorised to do so?
- (iv) Whether non- disclosure agreements were signed?
- (v) Whether notice to maintain confidentiality of the shared Unpublished Price Sensitive Information has been given?

## **XI. Amendment**

The Board of Directors of the Company, subject to applicable Laws, Rules & Regulations, may amend / substitute any provision(s) with a new provision(s) or replace this entire Code with a new Code. Any amendment to this Code shall be done through a resolution passed in the meeting of the Board of Directors of the Company.

## Annexure 1

### APPLICATION FOR PRE-TRADING APPROVAL

To,

**The Compliance Officer,  
Radico Khaitan Limited.**

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Company's Insider Trading Policy, I seek approval to purchase / sell / subscribe \_\_\_\_\_ equity shares of the Company as per details given below:

	Name of the applicant	
	Designation	
	Number of securities held as on date	
	Folio No. / DP ID / Client ID No.	
	The proposal is for	(a) Purchase of securities (b) Subscription to securities (c) Sale of securities
	Proposed date of trading in securities	
	Estimated number of securities proposed to be purchased/subscribed/sold	
	Current market price (as on date of application)	
	Whether the proposed transaction will be through stock exchange or off-market trade	
	Folio No. / DP ID / Client ID No. where the securities will be credited / debited	

I enclose herewith the Undertaking signed by me.

Signature: \_\_\_\_\_

Name:

Date

**Undertaking to be accompanied with the application for pre-clearance**

To,

The Compliance Officer,  
Radico Khaitan Limited

I, \_\_\_\_\_, \_\_\_\_\_ of the Company residing at \_\_\_\_\_, am desirous of trading in \_\_\_\_\_ shares of the Company as mentioned in my application dated \_\_\_\_\_ for pre-clearance of the transaction.

I further declare that I am not in possession of any unpublished price sensitive information up to the time of signing this Undertaking.

In the event that I have access to or receive any unpublished price sensitive information after the signing of this undertaking but before executing the transaction for which approval is sought, I shall inform the Compliance Officer of the same and shall completely refrain from trading in the securities of the Company until such information becomes public.

I declare that I have not contravened the provisions of the Rules as notified by the Company from time to time.

In the event of this transaction being in violation of the Regulations or the applicable laws, (a) I will, unconditionally, release, hold harmless and indemnify to the fullest extent, the Company and its directors and officers, (the 'indemnified persons') for all losses, damages, fines, expenses, suffered by the indemnified persons, (b) I will compensate the indemnified persons for all expenses incurred in any investigation, defence, crisis management or public relations activity in relation to this transaction and (c) I authorize the Company to recover from me, the profits arising from this transaction and remit the same to the SEBI for credit of the Investor Protection and Education Fund administered by the SEBI.

I undertake to submit the necessary report within two days of execution of the transaction / a 'Nil' report if the transaction is not undertaken.

If approval is granted, I shall execute the trade within seven days of the receipt of approval failing which I shall seek pre-clearance afresh.

I declare that I have made full and true disclosure in the matter.

Signature : \_\_\_\_\_

Name:

Date

**ANNEXURE 3**

**FORMAT FOR PRE-TRADING APPROVAL LETTER**

**Date:**

**Approval No: .....of .....**

To,

Mr. /Mrs.

#Emp. No.:

#Designation:

**PRE-TRADING APPROVAL/DISAPPROVAL - Your application dated**

Dear Mr. /Mrs.

With reference to your above application (copy enclosed) seeking approval for undertaking certain transactions in Securities (including derivatives) of the Company detailed therein, please be informed that you are / your Immediate Relative..... is hereby authorised/not authorised to undertake the transaction(s) as detailed in your said application.

\$(This approval is being issued to you based on the various declarations, representations and warranties made by you in your said application.

This approval letter is valid till (i.e. for {7} trading days from date hereof). If you / your Immediate Relative do (es) not execute the approved transaction /trade on or before this date you would have to seek fresh pre-trading approval before executing any transaction/deal in the Securities (including derivatives) of the Company. Further, you are required to file the details of the executed transactions in the attached format within two

{2} Trading Days from the date of transaction/deal. In case the transaction is not undertaken a –Nil report shall be necessary. ]

Yours truly,

**Compliance Officer**

**Encl: Format for submission of details of transaction**

# to be filled only by Employees

\$ applicable only in case of approval

**Annexure 4**

**DISCLOSURE OF TRANSACTIONS**

(To be submitted within 2 days of transaction / trading in securities of the Company)

To,

The Compliance Officer,  
Radico Khaitan Limited.

I hereby inform that I

- have not bought / sold/ subscribed any securities of the Company
- have bought/sold/subscribed to \_\_\_\_\_ securities as mentioned below on \_\_\_\_ (date)

(strike out whichever is not applicable)

<b>Name of holder</b>	<b>No. of securities traded</b>	<b>Bought / sold / subscribed</b>	<b>DP ID/Client ID/Folio No.</b>	<b>Price (Rs.)</b>

I declare that the above information is correct and that no provisions of the Company's Rules and/or applicable laws/regulations have been contravened for effecting the above said transactions(s).

Signature : \_\_\_\_\_

Name:

Date :



**Form A**  
**Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015**  
**[Regulation 7 (1) (a) read with Regulation 6 (2)]**

To,

The Compliance Officer,  
 Radico Khaitan Limited (ISIN: \_\_\_\_\_)

**Details of Securities held by Promoter, Key Managerial Personnel, Director and other such persons as mentioned in Regulation 6(2) of SEBI Regulations.**

Name, PAN No., CIN/DIN & address with contact nos.	Category of Person (Promoters/ KMP / Directors/immediate relatives/ others etc)	Securities held as on the date of regulation coming into force		% of Shareholding	Open Interest of the Future contracts held as on the date of regulation coming into force		Open Interest of the Option Contracts held as on the date of regulation coming into force	
		Type of security (For eg. - Shares, Warrants, Convertible Debentures etc.)	No.		Number of units (contracts * lot size)	Notional value in Rupee terms	Number of units (contracts * lot size)	Notional value in Rupee terms

Signature:

Designation:

Date:

Place:

**Annexure 6****Form B**

Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 [Regulation 7 (1) (b) read with Regulation 6(2)]

To,

The Compliance Officer,

Radico Khaitan Limited (ISIN: \_\_\_\_\_)

**Details of Securities held on appointment of Key Managerial Personnel or Director or upon becoming a Promoter of a listed company and other such persons as mentioned in Regulation 6(2) of SEBI Regulations.**

Name, PAN No., CIN/DIN & Address with contact nos.	Category of Person (Promoters/ KMP / Directors/ immediate relatives/others etc.)	Date of appointment of Director /KMP OR Date of becoming Promoter	Securities held at the time of becoming Promoter/appointment of Director/KMP	% of Shareholding		Open Interest of the Future contracts held at the time of becoming Promoter/appointment of Director/KMP		Open Interest of the Option Contracts held at the time of becoming Promoter/appointment of Director/KMP	
				No.		Number of units (contracts * lot size)	Notional value in Rupee terms	Number of units (contracts* lot size)	Notional value in Rupee terms
			Type of security (For eg. - Shares, Warrants, Convertible Debentures etc.)						

Signature:

Designation:

Date:

Place

**Annexure 7**

**FORM C**

**Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015  
[Regulation 7 (2) read with Regulation 6(2)]**

To,  
The Compliance Officer,  
Radico Khaitan Limited (ISIN: \_\_\_\_\_)

**Details of change in holding of Securities of Promoter, Employee or Director of a listed company and other such persons as mentioned in Regulation 6(2) of the SEBI Regulations.**

Name, PAN No CIN/DIN, & address of Promoter/ Employee/ Director with contact nos.	Category of Person (Promoters/ KMP / Director s/ immediate relatives / others etc.)	Securities held prior to acquisition/disposal		Securities acquired/ Disposed		% of shareholding		Date of allotment advice/ acquisition of shares/ sale of shares specify		Date of intimation to company	Mode of acquisition (market purchase/Public rights/ preferential offer /off market/ Inter-se transfer etc.		Trading in derivatives (Specify type of contract, Futures or Options etc)	Exchange on which the trade was executed	
		Type of security (For eg. Shares, Warrant, Convertible Debentures etc.)	No.	Type of security (For eg. Shares, Warrant, Convertible Debentures etc.)	No.	Pre transaction	Post transaction	From	to		Buy	Sell			
											Value	Number of union (contracts*lot size)	Value	Number of union (contracts*lot size)	

Signature:  
Designation:  
Date:  
Place:

**Annexure 8**

**FORM D**

Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 Regulation 7(3) – Transactions by other connected persons as identified by the company

Name, PAN No., CIN/DIN, & address of connected persons, as identified by the company with contact nos.	Connection with the company	Securities held prior to acquisition/disposal		Securities acquired/Disposed		% of shareholding		Date of allotment advice/acquisition of shares/sale of shares specify		Date of intimation to company	Mode of acquisition (market purchase/public rights/preferential offer / off market/ Inter-se transfer etc.	Trading in derivatives (Specify type of contract, Futures or Options etc)		Exchange on which the trade was executed	
		Type of security (For eg. Shares, Warrants, Convertible Debentures etc.)	No.	Type of security (For eg. - Shares, Warrants, Convertible Debentures etc.)	No.	Pre transaction	Post transaction	From	To			Buy	Sell		
												value	Number of units (Contacts *lot size)	value	Number of units (Contacts *lot size)

Name  
Signature:  
Designation:  
Date:  
Place:

