

# AVENUE SUPERMARTS LIMITED

## CODE OF CONDUCT

### FOR THE BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL

#### INTRODUCTION:

This Code of Conduct is applicable to Directors and Senior Management of Avenue supermarts Limited. This Code envisages that the Directors and Senior Management (as hereinafter defined) must act within the bounds of the authority conferred upon them and with a duty to comply with the requirements of applicable law and within the Code of Conduct given below. The purpose of this Code is to enhance ethical standards and transparency in managing the affairs of the Company, to sustain the trust and confidence reposed by the shareholders of the Company.

This Code shall come into force with effect from 23<sup>rd</sup> July, 2016. The Directors and Senior Management should sign the acknowledgment form annexed as Annexure – I hereto and return the form to the Company Secretary indicating that they have received, read, understood and agreed to comply with the Code. All the Directors and Senior Management shall be required to affirm compliance with this Code on an annual basis to the Company Secretary, in the form annexed hereto as Annexure – II. The Annual Report of the Company shall contain a declaration to this effect signed by the Managing Director.

#### SCOPE OF THE CODE:

Directors and Senior Management personnel are expected to comply with the Code in its letter and spirit. They are also required to affirm compliance on an annual basis.

With a view to maintain high standards that the Company requires, the following rules/Code of conduct should be observed by the Directors and Senior Management personnel in all their activities. The Company appoints a Compliance Officer for the purposes of this Code, who shall be available to Directors and Senior Management personnel to answer questions and to help them comply with the Code.

#### DEFINITIONS AND APPLICABILITY:

a) **Board Members:** Board Members shall mean the Directors on the Board of the Company.

**b) Senior Management Personnel:** The following personnel are deemed as the Senior Management Personnel of the Company:

- Key Managerial Personnel –“KMP” or Key Managerial Personnel shall have the same meaning as defined under Companies Act, 2013
- Personnel of the Company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management one level below the executive directors, including all functional heads and personnel of the company above Grade G1.

**OBJECTIVES OF THE CODE:**

**a) Accountability**

The Code is intended to focus the Board and Senior Management on areas of ethical risk; provide guidance to them to help them recognize and deal with ethical issues; provide mechanisms to report unethical conduct; and help foster a culture of honesty and accountability. The Directors and Senior Management personnel shall discharge their duties in good faith and integrity in business judgment and in the best interests of the Company and its stakeholders. They are expected to act ethically, honestly, diligently and in good faith to protect the Company's brand equity and image. They shall act in the best interests of the company and fulfill their fiduciary obligations.

**b) Conflict of Interest:**

Directors and Senior Management personnel shall not engage in any business, relationship or activity, which may be in conflict with the interests of the Company. At times, it is not possible to cover every possible conflict situation and it will not be easy to distinguish between proper and improper activity. Any incident of conflict, therefore, about a Board Member's or senior management personnel's actual or potential conflict of interest with the Company should be brought promptly to the attention of the Chairman of the Board, who will review the case and determine a proper course of action. Directors or senior management personnel involved in any conflict or potential conflict situation shall exclude themselves from any discussion or decision in relation thereto.

If any related party transaction is unavoidable, it must be fully disclosed to the board of the company.

**c) Compliance:**

All applicable laws, rules and regulations shall be complied with. In order to assist the company in promoting lawful and ethical behaviour, any possible violation of laws, rules, regulations or the Code of conduct shall be reported to the Board of Directors through the Compliance Officer.

**d) Other Directorships:**

The Directors must disclose their Directorship, Committee membership on the Board of other companies and substantial shareholding in other companies to the Board on an annual basis.

**e) Confidentiality of Information:**

Any information concerning the company's business, its customers, suppliers, etc., which is not in the public domain and to which the Directors and Senior Management personnel have access or possesses such information must be considered confidential and held in confidence, unless authorized to do so and when disclosure is required under any law. No Director or Senior Management Personnel shall provide any information either formally or informally, to the press or any other publicity media, unless specially authorized.

**f) Price Sensitive Information:**

The Board Members and the Senior Management personnel shall not divulge or disclose any Price Sensitive information to any person or to any section of the media unless the same is vetted by the Board in its Meeting or persons/committees authorized by it, and shall be bound by the confidentiality clause mentioned elsewhere in this code.

**g) Insider Trading:**

Any Director or Senior Management personnel shall not derive benefit or assist others to derive benefit by giving investment advice from the access to and possession of information about the company, not in public domain and therefore constituting insider information. All Directors and Senior Management Personnel shall comply with SEBI (Prohibition of Insider Trading) Regulations, 2015 and Insider Trading Policy of the Company, as applicable.

**h) Equal Opportunities within the Company:**

All attempts should be made to maintain equity and fair justice while dealing on behalf of the Company. The Directors and Senior Management personnel shall be committed to provide a work environment free from unlawful discrimination, harassment and intimidations of any nature. Any kind of harassment and discrimination based on gender, religion, age, sex, national origin and other such characteristics shall be strictly prohibited. They shall strive for maintaining a safe workplace by following safety and health rules and practices.

**i) Consumer Focus:**

All Directors and Senior Management personnel shall focus on customer satisfaction, which shall be the basic motto of the Company's business. They shall ensure that the communications given are accurate and truthful and do not deliberately omit important facts or shall not be of misleading nature.

**j) Teamwork and spirit:**

The principles of mutual trust, teamwork and spirit shall be appreciated and maintained. Best efforts shall be made to contribute to an environment that builds confidence and empowers people through personal and professional growth. They shall attempt that the teams grow together through collaborative working, skills development and knowledge sharing and learning from each other. Employees being invaluable assets shall be motivated to achieve higher goals.

**k) Corporate Opportunity:**

Except as approved by the Board, the Directors and Senior Management personnel are prohibited from:

- taking any personal opportunities directly or indirectly that belong to the Company;
- using the Company's property, information or position for personal gain/advantage or to cause detriment to the Company; and
- Competing with the Company.

**l) Gift & Donations:**

No Director or Senior Management Personnel of the company shall receive or offer, directly or indirectly, any gifts, donations, remuneration, hospitality, illegal payments and comparable benefits which influence a decision or are intended to be capable of influencing, such person to act in any manner not in the best interest of the Company. Nominal gifts of commemorative nature, for special events may be accepted and

reported to the Board. The Employees and Directors shall report any such incident that they may be witness to.

**m) Anti Corruption:**

Corruption means the misuse or abuse of office or power for personal gain. The Company's reputation for honesty, integrity and fair dealing is an invaluable component of the Company's success. The Company condemns corruption in any forms and is committed to comply with all relevant anti-corruption legislations in force. All Directors and Senior Management personnel are required to read and understand the full implications of the laws and policies on bribe and abide by it in letter and spirit. All Employees, Directors, Senior Management personnel are also obligated to report any such incident that they may be witness to.

**n) Bribery:**

The Company does not espouse the payments or receipt of bribes or improper payments for business or financial gain.

**o) Suspected and Fraudulent Behavior:**

Any acts of commission or omission which are detrimental to the business of the company ie., bribery, fraud, pilferage, theft, etc., will be termed as misconduct. Any such suspected fraudulent behavior is liable to be investigated and the employee/s, directors concerned is/are liable to face appropriate disciplinary action including dismissal from the services of the company.

**p) Safeguarding Company's Assets:**

The use of Company's assets for illegal or non-ethical business purposes shall be strictly prohibited. Protecting the Company's assets regardless of whether the same is tangible or intangible is the responsibility of each Employee, Director and Senior Management person.

**q) Financial Record Keeping & Reporting:**

The Company is required to comply with strict accounting principles and regulations. The company shall prepare and maintain its accounts fairly in accordance with the generally accepted accounting principles, guidelines, financial accounting standards and applicable regulations from time to time. It is critical to ensure that all transactions are properly identified, analyzed and recorded. Regardless of whether an employee, Director/Senior Management person is directly involved in financial reporting or accounting, most come into contact with financial transactions directly or indirectly. All reasonable efforts are expected to ensure that all business records and reports are accurate, complete and reliable.

**r) Duties of Independent Directors:**

In addition to the aforementioned duties, the Independent Directors shall adhere to the Code for Independent Directors as detailed in Schedule IV of the Companies Act, 2013 as amended from time to time.

**s) Compliance with the Code:**

Once every year or upon revision of this Code, every Director and Senior Management must acknowledge and execute an understanding of the Code and an affirmation that he/she has complied with the Code. New Directors and Senior Management personnel shall sign Annexure-I annexed hereto at the time of joining.

**t) Amendment:**

This Code may be amended, modified or varied by the Board as may be deemed necessary in the interests of the Company and subject to the provisions of applicable laws, regulations or guidelines.

**u) Placement of the Code on website:**

This Code and any amendment thereto shall be posted on the website of the Company.

**ACKNOWLEDGEMENT FORM**

I, ....., have received and read the “**CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT**”. I have understood the provisions and policies contained in this Code and I agree to comply with this code.

**Signature:**  
**Name:**  
**Designation:**

**Date:**  
**Place:**

**ANNUAL COMPLIANCE REPORT**

I, ....., do hereby solemnly affirm to the best of my knowledge and belief that I have, in letter and in spirit, complied with the provisions of the Company's **CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT** during the financial year ending 31<sup>st</sup> March, 20....

**Signature:**

**Name:**

**Designation:**

**Date:**

**Place:**