

**AVENUE SUPERMARTS LIMITED**

**CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF  
UNPUBLISHED PRICE SENSITIVE INFORMATION**

**This Code shall come into effect from April 1, 2019**

## 1. Objective

This Code is being framed with an aim to ensure timely and adequate disclosure of Unpublished Price Sensitive Information (herein after referred to as 'UPSI') and the manner in which it shall be unvaryingly disseminated to the Investors on immediate and regular basis.

## 2. Definitions

Unless contrary to the SEBI (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as 'Insider Trading Regulations'), as amended from time to time, the meaning of relevant term as defined under Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders will have same meaning for this Code.

## 3. Compliance Officer as the Chief Investor Relations Officer

The Compliance Officer of the Company is designated as the Chief Investor Relations Officer of the Company ("**CIRO**").

### **Responsibility of Chief Investor Relations Officer (CIRO):**

CIRO shall deal with dissemination and disclosure of the information. In addition to the CIRO, the Managing Director and Chief Financial Officer ("**Designated Authority**") shall be the only other persons in the Company authorised to disseminate the information and respond to the queries of stock exchanges, investors, news reports or request for verification of market rumours by regulatory authorities. No other person apart from the above shall disseminate such information or respond to any queries of the media or investors, even if request for information is made in an informal or casual manner.

CIRO shall oversee and coordinate timely disclosure of UPSI to stock exchanges on which the Company is listed. Any disclosure or dissemination of UPSI shall require prior approval of CIRO.

In case if UPSI gets disclosed selectively inadvertently, CIRO shall ensure prompt dissemination of such UPSI to make it available for the shareholders of the Company and public at large.

All the queries or requests for verification of market rumours by regulatory authorities shall be directed to CIRO. On receipt of such request(s), CIRO shall promptly consult the Managing Director/ Chief Executive Officer/ Chief Financial Officer/ Board of Directors and respond to the regulatory authority in an appropriate manner without any delay. In case the Managing Director/ Chief Executive Officer/ Chief Financial Officer/ Board of Directors deem it fit, CIRO shall make a public announcement for verifying or denying such rumours.

CIRO shall ensure all UPSI is handled on “need to know basis”. “Need to know” basis means that UPSI should be disclosed only to those within the Company who needs the information to discharge their duties and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.

All non-public information pertaining to the Company directly received by any Promoters, Directors, Employees, Authorised Persons and Connected Persons shall be immediately reported to the CIRO.

#### **4. Principles of Fair Disclosure**

The Company shall adhere to the following principles to ensure timely and fair disclosure of UPSI:

- 4.1. Prompt public disclosure of UPSI that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
- 4.2. Uniform and universal dissemination of UPSI to avoid selective disclosure.
- 4.3. Prompt dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
- 4.4. Ensuring that information shared with analysts and research personnel is not UPSI.
- 4.5. Developing best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made.
- 4.6. Handling of all UPSI on a need-to-know basis.

#### **5. Disclosure with reference to Analysts/ Media**

- 5.1. It shall be ensured that only public information is made available to the analyst/research personnel/large investors like institutions. All UPSI shall be first communicated to the stock exchanges before the same is shared with Analyst and Research personnel.
- 5.2. Recording of discussion- Transcripts or recordings of proceedings of meetings/ conferences with Analysts and other investors shall be uploaded /published on the web-site of the Company.

5.3. Handling of unanticipated questions – The Authorised Officers shall be careful when dealing with analysts' questions that raise issues outside the intended scope of discussion. Unanticipated questions shall be noted by the Authorised Officers and be responded later after consultation with Managing Director/ Chief Executive Officer/ Chief Financial Officer/ Board of Directors. If the answer includes UPSI, a public announcement should be made before responding to the same.

## **6. Sharing of UPSI for legitimate purpose:**

6.1. In terms of the Insider Trading Regulations, the term "legitimate purpose" is clarified to include sharing of UPSI in the ordinary course of business by an insider with Company's partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing of UPSI has not been carried out to evade or circumvent the prohibitions of the Insider Trading Regulations.

6.2. The Insider Trading Regulations require the Board to formulate a policy for determination of 'legitimate purpose', in line with the guidance provided in the Insider Trading Regulations. The assessment of whether sharing of UPSI for a particular instance would tantamount to 'legitimate purpose' would depend on the specific facts and circumstances of each case. Accordingly, this Policy only sets out the principles that should be considered while assessing if the purpose for which UPSI is proposed to be shared is "legitimate".

6.3. Primarily, the following factors should be considered:

- (i) whether sharing of such information is in the ordinary course of business of the Company;
- (ii) whether information is sought to be shared to evade or circumvent the prohibitions of the Insider Trading Regulations;
- (iii) whether sharing the information is in the best interests of the Company or in furtherance of a genuine commercial purpose;
- (iv) whether the information is required to be shared for enabling the Company to discharge its legal obligations;
- (v) whether the nature of information being shared is commensurate to the purpose for which access is sought to be provided to the recipient.

6.4. It is clarified that in the event there exist multiple purposes for sharing UPSI, each purposes will be evaluated on its own merits, in line with the aforementioned principles.

- 6.5. If at any time, any person is in receipt of UPSI pursuant to a legitimate purpose, he shall be considered as an “Insider” for purposes of this Code, the Code of Internal Procedures and Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders and the Insider Trading Regulations.
- 6.6. The Company shall inform the recipient of UPSI, by way of written intimation and/or contractual agreement, such as, confidentiality agreement or non – disclosure agreement, that: (i) the information being shared is UPSI and that the Company is the exclusive owner of such UPSI; (ii) upon receipt of UPSI, the recipient would be deemed to be an Insider and subject to the provisions of the Insider Trading Regulations, (iii) the recipient must maintain confidentiality of the UPSI at all times, (iv) the recipient may use the UPSI only for the approved purposes for which it was disclosed; and (v) the recipient must extend all cooperation to the Company, as may be required in this regard.
- 6.7. In this regard, adequate systems and controls shall be put in place to ensure compliance with the Insider Trading Regulations towards sharing of UPSI for legitimate purposes, including the maintenance of a structured digital database as stipulated in the Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders.
- 6.8. Upon failure of such person to maintain confidentiality of such UPSI, appropriate action may be taken by the Company as stipulated under Code of Internal Procedures and conduct for Regulating, Monitoring and Reporting of trading by Insiders.

## **7. Amendment**

The Board of Directors, may, if thought necessary, amend this Code from time to time.

In any circumstance where the terms of the Code differ from any law, rule, regulation etc. for the time being in force, the law, rule, regulation etc. shall take precedence over the Code.