



KOUTONS RETAIL INDIA LIMITED

Code of Conduct



KOUTONS RETAIL INDIA LIMITED

CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL

1. INTRODUCTION

Koutons Retail India Limited is an integrated apparel manufacturing and retail company whose vision is to adopt fair business practices exceeding its customer and stakeholders expectations. The Company's philosophy on Corporate Governance is built on a rich legacy of fair, transparent and effective governance. This includes respect for human values, individual dignity and adherence to honest, ethical and professional conduct. This enables customers and all stakeholders to be partners in the Company's growth and prosperity.

The Company's endeavour is to follow high standards of Corporate Governance not only in letter and spirit but rather intend to go beyond what is codified. The Company's Code of Conduct not only ensures compliance with the Company Law, the provisions of the Listing Agreement with Stock Exchanges and other laws, but goes beyond to ensure exemplary Corporate Governance.

2. OBJECTIVE & APPLICABILITY:

This Code of Conduct document has been created in furtherance of the Company's commitment to build a strong culture of corporate governance by promoting the importance of ethical conduct and transparency in the conduct of its operations. The principles prescribed in this Code are general in nature and lay down broad standards of compliance to Clause 49 of the Listing Agreement with the Stock Exchanges, where the shares of the Company are listed for trading.

This Code of Conduct (hereinafter referred to as "**Code**") is applicable to the Board Members (hereinafter referred to as "**Directors**") and Senior Management Personnel (hereinafter referred to as "**Senior Management**") of **Koutons Retail India Limited** (the "**Company**"). It



reflects the Company's underlying core ethical values and commitment to standards of integrity, transparency, fairness, accountability and pursuit for excellence.

For the removal of doubt, it is hereby clarified that this Code is applicable to all Directors and Senior Management, including the Non-Whole Time Directors, to the extent applicable.

The Code comes into force with effect from applicability of Listing Agreement with the Stock Exchanges.

This is to be distinctly understood that matters covered in this Code are of utmost importance and All Directors and Senior Management personnel shall sign the acknowledgment form annexed as **Appendix-I** hereto and return the same to the Company Secretary indicating that they have received, read and understood the provisions of the Code, and agree to comply with the same. All Directors and Senior Management personnel shall be required to affirm compliance with this Code on an annual basis, within 30 days of close of every financial year to the Company Secretary, in the form annexed hereto as **Appendix-II**.

3. **DEFINITIONS & INTERPRETATION**

In this Code, unless repugnant to the meaning or context thereof, the following expressions, wherever used in this Code, shall have the meaning assigned to them below:

"Directors" shall mean all the members of the Board of Directors of the Company, including the Non- Whole-time Directors.

"Company" shall mean the Koutons Retail India Limited.

"Whole-time Directors" shall mean the Board Members who are in whole-time employment of the Company.



“Non-Whole-time Directors” shall mean the Board Members who are non-executive directors and not in whole time employment of the Company.

‘Senior Management’ or ‘Key Managerial Personnel’ shall mean the persons one level below the Board and as identified by the Board from time to time.

“Relative” shall mean ‘relative’ as defined in Section 2(41) and Section 6 read with Schedule IA of the Companies Act, 1956, as reproduced in **Appendix-III** hereto.

In this Code, words importing masculine shall include feminine and words importing singular shall include plural or vice versa.

4. KEY REQUIREMENTS

The Directors and Senior Management shall act within the authority conferred upon them in the best interests of the Company and will:

- act in the best interest of, and fulfill their fiduciary obligations to the Company and its shareholders;
- act honestly, fairly, ethically and with integrity;
- conduct in a professional, courteous and respectful manner and not take improper advantage of their position;
- use their prudent judgement to avoid all situations, decisions or relationships which give or could give rise to conflict of interest or appear to conflict with their responsibilities within the Company;
- not exploit for his/her own personal gain, opportunities that are discovered through use of corporate property, information or position;



- avoid conducting business on behalf of the Company except with the prior approval of the Board; with (a) a relative (b) a Private Limited Company in which he or his relative is a Member or a Director (c) a Public Limited Company in which he or his relative holds 2% or more shares or voting right and (d) with a firm in which the relative is a partner;
- disclose and avoid having any personal and/or financial interest in any business dealings concerning the Company;
- avoid any dealings with a Contractor or Supplier that compromises the ability to transact business on a professional, impartial and competitive basis or influence decision to be made by the Company;
- not hold any positions or jobs or engage in outside businesses or other interests that are prejudicial to the interests of the Company; and
- inform the Board, at the earliest opportunity, any existing or potential conflict of interest situation.

For avoidance of doubts, it is clarified that it would not be a conflict of interest for the Director & Senior Management of the Company or members of their immediate family to have dealings in normal course with and to obtain services from persons or entities who also deal/provide services to the Company, including legal, accounting or brokerage services, loans & services from banks or insurance from insurance companies etc., at rates customary for similarly situated customers.

Senior Management Personnel shall obtain prior approval of the Chairman and Managing Director/Competent Authority for accepting Directorship of any other company or partnership of a firm.



5. GIFTS AND DONATIONS

The Directors and the Senior Management shall neither receive nor offer or make, directly or indirectly, any illegal payments gifts, donations or any benefits which are intended to or perceived to obtain undue favors in the transactions detrimental to the interest of the Company, except for nominal value, which are customarily given and are of commemorative nature for special events and should never be of a kind that could create an appearance of impropriety.

6. PUBLIC REPRESENTATION

The Company honours the information requirements of the public and its stakeholders. In all its public appearance with respect to disclosing information in relation to the Company's activities to public constituencies such as the media, the financial community, employees and shareholders, the Company shall be represented only by specifically authorised directors and employees. It will be the sole responsibility of these authorised representatives to disclose Company related information.

7. CONFIDENTIALITY OF INFORMATION

Any information concerning the Company's business, its customers, suppliers, etc. to which the Directors and Senior Management have access or which is possessed by the Directors and Senior Management, must be considered privileged and confidential and should be held in confidence at all times, and should not be disclosed to any person, unless

- i. authorised by the Board; or
- ii. the same is part of the public domain at the time of disclosure;
or
- iii. is required to be disclosed in accordance with applicable laws



8. INSIDER TRADING AND FRAUDULENT & UNFAIR PRACTICES IN THE SECURITIES MARKET

The Directors and Senior Management and their relatives shall not derive any benefit or assist others to derive any benefit from the access to and possession of information about the Company, which is not in the public domain and thus constitutes insider information. They shall also ensure compliance with SEBI (Prohibition of Insider Trading) Regulations, 1992 as also other regulations as may become applicable to them from time to time in addition to the Company's Policy for Prevention of Insider Trading.

The Company also prohibits its Directors and Employees in undertaking any fraudulent or unfair trade practice in connection with the securities of the Company.

9. REGULATORY COMPLIANCE

Every Director and Senior Management shall, in his or her business conduct, comply with all applicable laws and regulations, both in letter and in spirit, in all the territories in which he or she operates. If the ethical and professional standards set out in the applicable laws and regulations are below that of the Code, then the standards of the Code shall prevail.

10. HEALTH, SAFETY AND ENVIRONMENT

The Directors and Senior Management shall be committed to prevent the wasteful use of natural resources and minimize any hazardous impact of the development, production, use and disposal of any of its products and services on the ecological environment.

11. PROTECTION OF ASSETS

The Companies Assets shall be protected from theft, loss, damage or misuse and shall not be employed for conducting any illegal activity or for purpose other than of conducting the business of the Company.



The Directors and Senior Management of the Company shall employ the assets of the Company for the purpose of conducting the business for which they are duly authorized. These include tangible assets such as equipment and machinery, systems, facilities, materials, resources as well as intangible assets such as proprietary information, relationships with customers and suppliers, etc.

12. **AMENDMENTS TO THE CODE**

The provisions of this Code can be amended/ modified by the Board of Directors of the Company from time to time in line with any changes in law, changes in Company's philosophy, vision, business plans or otherwise and all such amendments/ modifications shall take effect from the date stated therein. All Directors and Senior Management shall be duly informed of such amendments and modifications.

13. **PLACEMENT OF THE CODE ON WEBSITE**

Pursuant to Clause 49 of the Listing Agreement, this Code and any amendments thereto shall be posted on the website of the Company.

14. **CONSEQUENCES OF NON- COMPLIANCE OF THIS CODE**

In case of breach of this Code by the Directors, the same shall be dealt with by the Board of Directors for initiating appropriate action, as deemed necessary.

In case of breach of this Code by the Senior Management, the same shall be dealt with by Chairman & Managing Director.



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ACKNOWLEDGEMENT FORM

I, have received and read the Company's "CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL ("this Code"). I have understood the provisions and policies contained in this Code and I agree to comply with this Code.

Signature :

Name :

Designation :

Date :

Place :



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ANNUAL COMPLIANCE REPORT*

Ido hereby confirm that I have fully complied with the provisions of the CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL during the financial year ending 31st March

Signature :.....

Name :.....

Designation :.....

Date :.....

Place :.....

* To be submitted by 30th April each year.



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EXTRACT OF SECTION 6 OF THE COMPANIES ACT, 1956

Meaning of “relative”

6. A person shall be deemed to be a relative of another if, and only if,-
- (a) they are members of a Hindu undivided family; or
 - (b) they are husband and wife; or
 - (c) the one is related to the other in the manner indicated in Schedule IA.

SCHEDULE IA

LIST OF RELATIVES

1. Father
2. Mother (including step-mother)
3. Son (including step-son)
4. Son's wife
5. Daughter (including step-daughter)
6. Father's father
7. Father's mother
8. Mother's mother
9. Mother's father
10. Son's son
11. Son's son's wife
12. Son's daughter
13. Son's daughter's husband
14. Daughter's husband
15. Daughter's son
16. Daughter's son's wife
17. Daughter's daughter
18. Daughter's daughter's husband
19. Brother (including step-brother)
20. Brother's wife
21. Sister (including step sister)
22. Sister's husband

