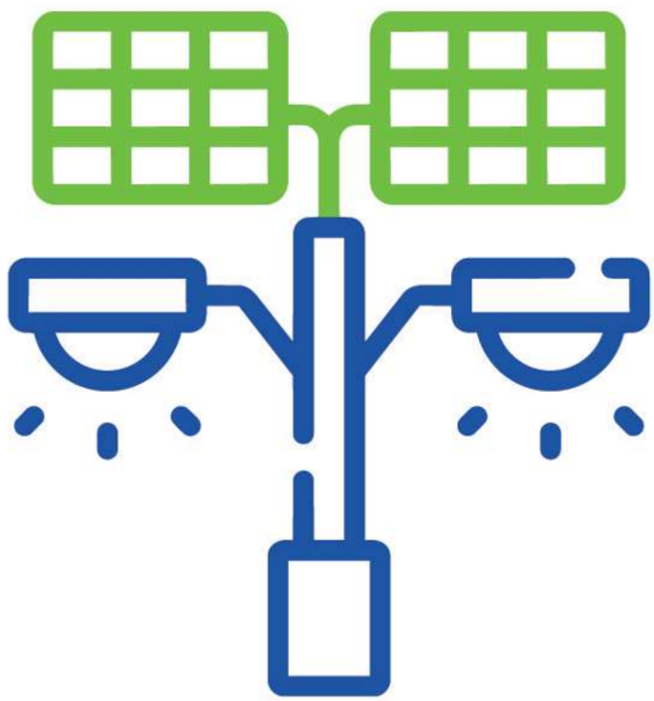
AVAADA ELECTRO



CODE OF CONDUCT FOR BOARD MEMBERS, KEY MANAGERIAL PERSONNEL & SENIOR MANAGEMENT

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DEFINITIONS AND INTERPRETATION

1. Definitions

"Applicable Laws" shall mean the Companies Act, 2013 and Rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the circulars issued thereunder, as amended from time to time and such other act, rules or regulations which deal with the code of conduct for Board Members, Key Managerial Personnel, and Senior Management Personnel of a company listed in India.

"Board" or **"Board of Directors"** shall mean the board of directors of the Company.

"Companies Act" shall mean the Companies Act, 2013, and rules and regulations issued thereunder, as amended from time to time.

"Company" shall mean Avaada Electro Limited

"Compliance Officer" shall mean the company secretary and compliance officer of the Company, unless a compliance officer is appointed specifically for this purpose, by the Board.

"Directors and Employees" shall mean, collectively, the Directors, KMPs, and SMPs of the Company (as defined herein), to whom this Policy applies.

"Directors" shall mean, collectively, the directors of the Company.

"Independent Director" means an independent director appointed by the Company in accordance with the provision of the Companies Act, 2013 and the rules thereunder and Listing Regulations (as may be applicable).

"**Key Managerial Personnel**" or "**KMP**" shall mean the following persons, which includes persons identified by the Company under provisions of the Act.

i) the managing director or chief executive officer or manager

ii) whole-time Director

iii) the company secretary;

iv) the chief financial officer; and

v) any other person as defined under the Act from time to time

"Listing Regulations" shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

"Policy" or **"Code"** or **"Code of Conduct"** shall mean this code of conduct for the Directors and Employees.

"**Senior Management Personnel**" or "**SMP**" shall mean officers/personnel of the Company and includes the following:

i) the officers and personnel of the Company who are members of its core management team, excluding the Board;

ii) all members of the management of the Company one level below the chief executive officer or managing director or whole time Director or manager (including chief executive officer and manager, in case they are not part of the Board) and shall specifically include the functional heads, by whatever name called;

iii) the company secretary;

iv) the chief financial officer; and

v) any other officer of the Company, as determined by the Committee and the Board from time to time.

All other words and expressions used but not defined in this Code but defined in the SEBI Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, and/ or the rules and regulations made there under shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be.

2. Introduction

In accordance with Regulation 17(5) of the Listing Regulations and the relevant provisions of the Companies Act, the Board of Directors has adopted this Code of Conduct, in alignment with the Company's objectives and corporate governance practices. The aim of this Code of Conduct is to ensure an ethical and transparent process in managing the affairs of the Company.

3. Objective

The objective of this Code of Conduct is to set standards for business conduct such that the Directors and Employees may act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct, while working for and on behalf of the Company.

4. Applicability

This Code of Conduct is applicable to the Directors and Employees, as defined above. The rules and principles set forth in this Code of Conduct are general in nature, and compliance with this Code of Conduct shall be read with Applicable Laws, and the policies and procedures of the Company. The Directors and Employees may contact the Compliance Officer for the purposes of this Code of Conduct for assistance in interpreting the requirements of this Code of Conduct. All Directors and Employees shall affirm compliance with this Code of Conduct on an annual basis.

5. Standards of Conduct

The Directors and Employees shall conduct the business of the Company in a transparent, professional, and fiduciary manner on the following parameters: demonstrate the highest standards of integrity, business ethics, and corporate governance;

a. perform their roles with competence, diligence, in good faith and in the best interests of the Company;

b. ensure compliance with all Applicable Laws;

c. not engage in any business, relationship or any activity which detrimentally conflicts with the interest of the Company or bring discredit to the Company. Any situation that creates a conflict of interest between personal interests and the Company and its stakeholders' interests must be avoided at all costs;

d. not disclose any confidential / privileged information of the Company and should direct any media queries or approaches to the appropriate spokesperson within the Company;

e. Protect and use the Company's assets for legitimate business purposes only;

f. give careful and independent consideration to the affairs of the Company and all documents placed before them to satisfy themselves with the soundness of key decisions taken by the management. They should call for additional information, where necessary, for making such judgements;

g. Not discriminate amongst employees on the basis of colour, race, religion, caste, creed or sex and provide equal opportunity to all.

6. Other Responsibilities

The Directors and Employees shall:

undertake and participate in any relevant induction sessions and shall regularly update and refresh their skills, knowledge and familiarity with the Company's policies and processes;

ensure that adequate disclosures are made before entering into any related party transactions;

report concerns about unethical behaviour, actual or suspected fraud, or violation of the Company's Code of Conduct in accordance with the vigil mechanism of the Company; and

act in utmost good faith and exercise due care, diligence and personal and professional integrity in the performance of their official duties and responsibilities and shall in no event compromise their independence of judgement.

7. Duties of Directors

All Directors shall discharge their duties as per the applicable provisions of the Listing Regulations and the Companies Act.

8. Duties of Independent Directors

The duties of the independent directors shall comprise of the following:

a. undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;

b. seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the Company;

c. strive to attend all meetings of the Board and of the committees of the Board, which the independent director(s) is a member of;

d. participate constructively and actively in the committees of the Board in which they are chairpersons or members;

e. strive to attend the general meetings of the Company;

f. where they have concerns about the running of the Company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the meeting of Board;

g. keep themselves well informed about the Company and the external environment in which it operates;

h. not unfairly obstruct the functioning of the properly constituted Board (or committees of the Board);

i. pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interests of the Company;

j. report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy, if any;

k. act within his / her authority, assist in protecting the legitimate interests of the Company, shareholders and its employees; and

l. not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

Notwithstanding anything contained in the Companies Act, 2013, an independent director or a non-executive director (not being promoter or key managerial personnel), shall be held liable, only in respect of such acts of omission or commission by the Company which had occurred with his knowledge, attributable to him and with his consent or connivance or where he had not acted diligently. In addition to the above duties, the company expects that the Independent Directors of the Company abide by the guidelines, roles, functions, duties and other relevant provisions as applicable to the Independent Directors specified in Schedule IV of the Companies Act, 2013 and is attached as Appendix I to this policy. Adherence to these standards by Independent Directors and fulfillment of their responsibilities in a professional and faithful manner will promote the confidence of the investment community, particularly minority shareholders, regulators, and companies in the institution of Independent Directors.

9. Disclosure by Board of Directors and Senior Management

In adherence to Listing Regulations, the Directors and Employees shall make disclosures to the Board of Directors relating to all material, financial and commercial transactions, where they have a personal interest that may potentially conflict with the interest of the Company at large.

For the aforesaid purpose, conflict of interest relates to dealing in the shares of the Company, commercial dealings with bodies, which have shareholding of management and their relatives etc.

In addition to the above, all members of the Board of Directors and Senior Management Personnel shall affirm compliance with this Code of Conduct on an annual basis.

Enforcement of the Code of Conduct

The Directors and Employees shall be accountable for fully complying with the Code. Non-compliance with the provisions of this Code shall be reported to the Company Secretary of the Company at the Registered Office of the Company situated at C-11, Sector-65, Noida-201307, Uttar Pradesh.

The Company Secretary shall report the breach of the Code, if any, which comes to his / her notice to the Board. The Company shall ensure confidentiality and protection to any person who has, in good faith, reported a violation or a suspected violation of law, of the Code or other Company policies, or against any person who is assisting in any investigation or process with respect to such a violation. Any failure of Directors / Employees to comply with the Code will result in referring his/ her actions/omissions to the Board of Directors.

The Board will consider the reference and take such remedial action as deemed fit by it including removal of the person in question from the Board / Office.

Placement of the Code on the Website

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

Compliance with the Code

The Directors, and Employees shall monitor his or her personal compliance with the Code. The Directors and Employees shall within 30 days of the close of every financial year affirm compliance with the Code in the format attached as Annexure III. The Annual Compliance Report shall be forwarded to the Company Secretary of the Company.

Acknowledgement of receipt of the Code

All Directors and Employees shall acknowledge the receipt of the Code in the acknowledgment form, attached as Appendix II indicating that they have received, read, and agreed to comply with the Code and send the same to the Company Secretary of the Company. Upon revision of the Code, the Board Members and Senior Management Personnel shall acknowledge and execute an understanding of the Code. New Directors will sign such a deed at the time when their directorship begins.

No Rights Created

This Code is a statement of certain fundamental principles, ethics, values, policies, and procedures that govern the Directors and Senior Management Personnel of the Company in the conduct of the Company's business. It is not intended to and does not create any rights in any employee, customer, client, supplier, competitor, shareholder or any other person or entity.

10. Violation

It shall be the duty of the Directors and Employees to assist in enforcing this Code of Conduct.

A violation of this Code of Conduct may result in disciplinary action such as termination from the association/ employment with the Company, suspension, or demotion, as may be deemed necessary.

11. Amendment and Review

Subject to applicable laws, the Board may amend, suspend or rescind this policy at any time. Any issues pertaining to the Policy shall be resolved by the Board in line with the broad intent of the Policy. The Board may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy.

In the event of any conflict between the provisions of this Policy and any applicable law, such applicable law in force, shall prevail over this Policy.

12. Acknowledgment and Annual Affirmation

The Directors and Employees shall acknowledge the receipt of this Code of Conduct indicating that they have received, read and understood, and agreed to comply with the Code and send the same to the Compliance Officer.

It is obligatory on the part of every person covered under this Code of Conduct to make an annual disclosure under this Code of Conduct affirming their adherence to the Code on an annual basis. This disclosure shall be made to the Compliance Officer in the format annexed as **Appendix III**.

AVAADA ELECTRO

APPENDIX I
Schedule IV of the Companies Act, 2013
[See section 149(8) of the Companies Act, 2013]

CODE FOR INDEPENDENT DIRECTORS

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfillment of their responsibilities in a professional and faithful manner will promote the confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

I. Guidelines of professional conduct:

An independent director shall:

1) uphold ethical standards of integrity and probity;
2) act objectively and constructively while exercising his duties;
3) exercise his responsibilities in a bona fide manner in the interest of the company;
4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
5) not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
6) not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
7) refrain from any action that would lead to loss of his independence;
8) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
9) assist the company in implementing the best corporate governance practices.

II. Role and functions:

The independent directors shall:

1) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments, and standards of conduct;
2) bring an objective view in the evaluation of the performance of the board and management;
3) scrutinizes the performance of management in meeting agreed with goals and objectives and monitor the reporting of performance;
4) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
5) safeguard the interests of all stakeholders, particularly the minority shareholders;
6) balance the conflicting interest of the stakeholders;
7) determine appropriate levels of remuneration of executive directors, key managerial personnel and Senior Management Personnel and have a prime role in appointing and where necessary recommending removal of executive directors, key managerial personnel and Senior Management Personnel;
8) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

III. Duties :

The independent directors shall—

1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
2) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
3) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
5) strive to attend the general meetings of the company;
6) where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
7) keep themselves well informed about the company and the external environment in which it operates;
8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
9) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
10) ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
11) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
12) acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
13) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, and unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

IV. Manner of appointment:

1) Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is an appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
3) The explanatory statement attached to the notice of the meeting for approving the appointment of an independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfills the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.
4) The appointment of independent directors shall be formalized through a letter of appointment, which shall set out
   - the term of appointment;
   - the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;

- the fiduciary duties that come with such an appointment along with accompanying liabilities;
- provision for Directors and Officers (D and O) insurance, if any;
- the Code of Business Ethics that the company expects its directors and employees to follow;
- the list of actions that a director should not do while functioning as such in the company; and
- the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit-related commission, if any.

5) The terms and conditions of the appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.
6) The terms and conditions of the appointment of independent directors shall also be posted on the company's website.

V. Re-appointment:

The re-appointment of an independent director shall be on the basis of the report of performance evaluation.

VI. Resignation or removal:

1) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.
2) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within a period of not more than one hundred and eighty days from the date of such resignation or removal, as the case may be.
3) Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

VII. Separate meetings:

1) The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management;
2) All the independent directors of the company shall strive to be present at such meeting;
3) The meeting shall:
   - review the performance of non-independent directors and the Board as a whole;
   - review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
   - assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

VIII. Evaluation mechanism:

1) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

APPENDIX II

To
The Company Secretary and Compliance Officer
Avaada Electro Limited

Sub: Code of Conduct for Directors , KMPs and SMPs of Avaada Electro Limited ("Code of Conduct")

Dear Sir

Reference above, I hereby confirm that I have complied with the above referred Code of Conduct during the financial year ended on 31st March ………………..

Thanks & regards,

[●]
Signature
Name: [●]
Designation: [●]
Address: [●]
DIN: [●]

Date: [●]
Place: [●]

Note: to be submitted by 30th April each year.

APPENDIX III

To

The Company Secretary and Compliance Officer

Avaada Electro Limited

ANNUAL COMPLIANCE REPORT

Dear Sir,

I do hereby solemnly affirm that to the best of my knowledge and belief, I have fully complied with the provisions of the Company's Code of Conduct for Board Members, Key Managerial Personnel & Senior Management during the financial year ended March 31, [•].

[●]

Signature
Name: [●]
Designation: [●]
Address: [●]
DIN: [●]

Date: [●]

Place: [●]