CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT

LEEL ELECTRICALS LIMITED

VERSION HISTORY:

Version No.	Effective Date	Amendment /Revision Details
1.0	26.07.2024	Initial Issuance

1. INTRODUCTION:

The Board of Directors of LEEL Electricals Limited ('LEEL' / 'Company'), post its acquisition vide Hon'ble National Company Law Tribunal ("NCLT") Order dated 21st March, 2024 under the provisions of Insolvency and Bankruptcy Code, 2016, ("IBC"), adopted this policy in its Meeting (01/2024-25) held on 26th July, 2024, in order to align with the relevant provisions of the Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations , 2015 ("Listing Regulations").

This Code of Conduct ("Code") by the Company is intended to establish and clarify the standards for behaviour in the organization.

This Code helps maintain the standards of business conduct of LEEL and ensures compliance with legal requirements. The Code aims at enhancing an ethical transparent process in managing the affairs of the Company.

This Code supersedes all other previous codes, policies, procedures, instructions, practices, rules or written or verbal representations.

2. DEFINITIONS:

Associate company: in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company, wherein:

(a) the expression "significant influence" means control of at least twenty per cent. (20%) of total voting power, or control of or participation in business decisions under an agreement;

(b) the expression "joint venture" means a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement;

Board: shall mean the collective body of the directors of the company;

Chief Executive Officer: shall mean any person as defined in clause (18) of Section 2 of the Companies Act, 2013;

Chief Financial Officer: shall mean any person as defined in clause (19) of Section 2 of the Companies Act, 2013;

Compliance Officer: shall mean any person responsible for overseeing and monitoring, all the statutory and legal compliances of the Company and for coordinating with the regulatory authorities in relation to such compliance and who shall be the Company Secretary of the Company and a member of the Institute of Company Secretaries of India;

Code: means this 'Code of Conduct';

Company: shall mean LEEL ELECTRICALS LIMITED;

Director: means a director appointed to the Board of a company;

Executive Director: shall mean a director who is in the whole-time employment of the Company and is entrusted with executive or managerial responsibilities for the management of its affairs, including Company's Managing Director and Whole Time Directors;

Financially Literate: means the ability to read and understand basic financial statements i.e. balance sheet, profit and loss account, and statement of cash flows;

Financial Management Expertise: shall mean a member will be considered to have accounting or related financial management expertise if he or she possesses experience in finance or accounting, or requisite professional certification in accounting, or any other comparable experience or background which results in the individual's financial sophistication, including being or having been a chief Executive officer, chief financial officer, or other senior officer with financial oversight responsibilities;

Independent Director: shall mean the Independent Director as defined under the provisions of Companies Act, 2013, read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

Key Managerial Personnel shall mean "Key Managerial Personnel" as defined in section 2(51) of the Companies Act, 2013 and shall include the following:
- the Chief Executive officer or the Managing Director or the Manager;
- the Company Secretary;
- the whole-time director;
- the Chief Financial Officer;
- 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
- such other officer as maybe prescribed in section 2(51) of the Companies Act, 2013 and rules prescribed there under;

Listing Regulations: means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

Managing Director: means a director who, by virtue of the articles of a company or an agreement with the company, or a resolution passed in its general meeting, or by its Board of Directors, is entrusted with substantial powers of management of the affairs of the company and includes a director occupying the position of managing director, by whatever name called;

Non-Executive Director: shall mean and include those members on Board who are not in whole time employment of the Company;

Relative: with reference to any person, means anyone who is related to another, if—
(i) they are members of a Hindu Undivided Family;
(ii) they are husband and wife; or
(iii) one person is related to the other in such manner as may be prescribed in section 2(77) of the Companies Act, 2013 and rules prescribed there under;

Senior Management: shall mean the 'Senior Management' as defined under the provisions of Companies Act, 2013, read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

That if any definitions are not provided above, then they shall have the same meaning as prescribed in the applicable laws. Further, if any of the above definitions are in contradiction with the applicable laws, then the definitions under the applicable laws shall prevail.

3. APPLICABILITY

This Code has been prescribed as a guiding principle for doing business and is addressed to all those who does any act for and on behalf of the Company. However, the Board of Directors and the Senior Management team of the Company shall be directly responsible and accountable for implementation and adherence to the same.

This Code shall be applicable to the Company and the following persons:

- All the Directors including the Managing Director, Executive Directors, Non-Executive Directors, Independent Directors and Nominee Directors of the Company;

- Key Managerial Personnel of the Company;

- All other employees in the Senior Management cadre,

4. VALUES AND COMMITMENT

The Company is committed to conducting its business with the highest standards of integrity, professionalism and ethical conduct. Every Director and member of Senior Management is expected to uphold the following core values while performing their duties and representing the Company.

A) Honesty, Integrity & Fairness

The Company shall conduct its business with honesty, integrity and fairness in all dealings with its stakeholders. Directors and members of Senior Management shall act ethically, honour their commitments, avoid any form of dishonest or unethical conduct and always act in the best interests of the Company.

B) Respect for Individuals

The Company is committed to maintaining a workplace founded on mutual respect, dignity and equal opportunity. Every individual shall be treated fairly and with courtesy, irrespective of their role, background or personal characteristics. The Company values diversity, encourages collaboration and promotes an inclusive work environment free from discrimination, harassment and intimidation.

C) **Responsibility and Accountability**

Every Director and member of Senior Management is responsible and accountable for their decisions and actions. They shall exercise due care, diligence and professional judgment while discharging their duties and shall take ownership of their responsibilities in accordance with the Company's values, policies and applicable laws.

D) **Compliance with Laws and Good Corporate Citizenship**

The Company is committed to full compliance with all applicable laws, regulations, statutory requirements and corporate governance standards. Directors, members of Senior Management and employees shall conduct the Company's business responsibly, act in the best interests of the Company and contribute towards sustainable and ethical business practices.

The principles set out in this Code are intended to guide ethical decision-making and reinforce the Company's commitment to responsible corporate governance. Every Director, member of Senior Management and employee is expected to comply with this Code in both letter and spirit and uphold the Company's reputation for integrity, transparency and accountability.

E) **Employee**

The Company recognises that its employees are its most valuable asset and is committed to providing a safe, healthy, respectful and inclusive workplace. The Company encourages continuous learning, professional development, teamwork, innovation and merit-based growth while ensuring compliance with all applicable labour and employment laws.

F) **Customers**

The Company is committed to delivering quality products and services that meet customer expectations while maintaining high standards of safety, reliability, innovation and value. Customer relationships shall be built on trust, transparency, responsiveness and ethical business practices.

G) **Environment, Health & Safety**

The Company is committed to conducting its business in an environmentally responsible and sustainable manner. Directors, members of Senior Management and employees shall comply with all applicable environmental, health and safety laws and regulations and shall actively promote safe working practices, responsible use of resources and the prevention of environmental harm.

H) **Shareholders, Investors and Business Partners**

The Company shall endeavour to create sustainable value for its shareholders while maintaining the confidence of investors, lenders, customers, suppliers and other business partners. It shall ensure timely, accurate and transparent disclosures in accordance with the applicable laws and maintain fair, transparent and ethical relationships with all stakeholders.

5. ROLES AND RESPONSIBILITIES OF THE BOARD

A) The role and functions of the Board is to:

- Exercise care, diligence and skill of a reasonably prudent person under comparable circumstances.
- Ensure to enhance and maintain the reputation of the Company.
- Strive to contribute toward the growth, stability and service that the Company seeks to provide to its consumers, members, stakeholders and society in general.
- Conduct in a professional, courteous, and respectful manner at all times.
- Make available to and share with fellow Directors all information as may be relevant to ensure proper conduct and sound operation of the Company.
- Review and guide corporate strategy, major plans of action, risk policy, annual budgets, business plans, set performance objectives, monitor implementation and corporate performance, and oversee major capital expenditures, acquisitions and divestments.
- Monitor the effectiveness of the Company's governance practices and making changes as needed.
- Select, compensate, monitor and, when necessary, replace KMP and oversee succession planning.
- Ensure a transparent nomination process to the board of directors with the diversity of thought, experience, knowledge, perspective and gender in the board of directors.
- Monitor and manage potential conflicts of interest of management, members of the board of directors and shareholders, including misuse of corporate assets and abuse in related party transactions.
- Ensure the integrity of the Company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.
- Oversee the process of disclosure and communications.
- Monitor and review board of director's evaluation framework.
- <u>Performance evaluation of independent directors</u>: It shall be done by the entire Board of Directors, excluding the director being evaluated. 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.

B) The board of directors of the Company shall have the following responsibilities:

- Members of board of directors and KMP shall disclose to the board of directors whether they, directly, indirectly, or on behalf of third parties, have a material interest in any transaction or matter directly affecting the Company.
- The board of directors and senior management shall conduct so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture of good decision-making.

- The board of directors shall provide strategic guidance to the Company, ensure effective monitoring of the management and shall be accountable to the Company and the shareholders.
- The board of directors shall set a corporate culture and the values by which executives throughout a group shall behave.
- Members of the board of directors shall act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Company and the shareholders.
- The board of directors shall encourage continuing directors training to ensure that the members of board of directors are kept up to date.
- Where decisions of the board of directors may affect different shareholder groups differently, the board of directors shall treat all shareholders fairly.
- The board of directors shall maintain high ethical standards and shall take into account the interests of stakeholders.
- The board of directors shall exercise objective independent judgement on corporate affairs.
- The board of directors shall consider assigning a sufficient number of non-executive members of the board of directors capable of exercising independent judgement to tasks where there is a potential for conflict of interest.
- When committees of the board of directors are established, their mandate, composition and working procedures shall be well defined and disclosed by the board of directors.
- Members of the board of directors shall be able to commit themselves effectively to their responsibilities.
- Members of the board of directors shall have access to accurate, relevant and timely information in order to fulfil their responsibilities.

6. CODE OF CONDUCT

The Company and its Officials which inter-alia includes the Board of Directors and the Senior Management officials shall strictly follow the **'Code of Conduct'** as enumerated hereunder:

A) No Director or Member of Senior Management shall commit or condone an illegal act or instruct another employee, etc. to do so.

B) Directors and other Senior Management are expected to be sufficiently familiar with any legislation that applies to their work, to recognize potential liabilities and to know when to seek legal advice.

Code of Conduct for Independent Directors:

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

A) <u>Guidelines of professional conduct:</u>

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.

B) <u>Role and functions:</u>

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 board and management;

(3) scrutinise the performance of management in meeting agreed 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 and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;

(8) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

C) 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) act within their 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, unpublished price sensitive information, unless such

disclosure is expressly approved by the Board or required by law.

D) Separate meetings:

(1) The independent directors of the company shall hold at least one meeting in a financial 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:

a) review the performance of non-independent directors and the Board as a whole;

(b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;

(c) 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.

7. CONFLICT OF INTEREST

Conflict of interest occurs when personal interest of any member of the Board of Directors and of the Senior Management interferes or appears to interfere in any way with the interests of the Company. Every member of the Board of Directors and Senior Management has a responsibility to the Company, its stakeholders and to each other. Although this duty does not prevent them from engaging in personal transactions and investments, it does demand that they avoid situations where a conflict of interest might occur or appear to occur. They are expected to perform their duties in a way that they do not conflict with the Company's interest such as -

A) Employment/ Outside Employment

The members of the Senior Management are expected to devote their total attention to the business interests of the Company. They are prohibited from engaging in any activity that interferes with their performance or responsibilities to the Company or otherwise is in conflict with or prejudicial to the Company.

B) Outside Business Interest

Senior Management shall make disclosures to the Board relating to all material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the Company at large, to avoid any conflict of interests or breaches of any of the provision of this Code. Notwithstanding any outside business activity, Officials of the Company are required to act in the best interests of the Company.

C) Related Parties

In case of any dealings with related party, the transaction shall comply with the provisions of the Companies Act 2013, as amended and the SEBI Listing Regulations, as amended.

D) Other Directorships

Every director shall inform the Company about the committee positions he or she occupies in other listed entities and notify changes as and when they take place.

8. CONFIDENTIAL INFORMATION

Directors, members of Senior Management and employees shall maintain the confidentiality of all confidential information and all records of the Company, its customers, employees, business partners and other stakeholders, unless disclosure is authorised or required by applicable law..

Confidential information shall be used solely for legitimate business purposes and shall not be disclosed, misused or used for personal gain. This obligation shall continue even after cessation of employment or association with the Company.

Confidential information received from third parties shall be protected and handled in accordance with the applicable contractual obligations and legal requirements.

Confidential information may be disclosed to third parties only on a need-to-know basis, with appropriate authorisation and, where necessary, subject to a confidentiality or non-disclosure agreement.

9. INVESTMENT IN COMPANY'S SHARES

Prohibition of Insider Trading

Every Director and member of Senior Management shall not derive benefit or assist others to derive benefit by giving investment advice based on unpublished price sensitive information (as defined in SEBI (Prohibition of Insider Trading) Regulations, 2015) about the Company and therefore constituting insider information.

Every Director and member of Senior Management shall comply with the Code of Fair Disclosure and Conduct and SEBI (Prohibition of Insider Trading) Regulations, 2015, of the Company and/or any other regulations/guidelines regarding investment in the Company's shares issued, from time to time, by the Securities and Exchange Board of India (SEBI).

10. GIFTS AND PAYMENTS

It is essential to the efficient business practices that all those who do business with the Company as contractors/customers etc. have access to the Company on equal terms. Every Director and member of Senior Management of the Company shall not accept any offer, payment, promise to pay, or authorization to pay any money, gifts, or anything of value from customers, suppliers, shareholders/ stakeholders, etc., (including without limitation cash, preferred loans, securities or secret commissions), which grant or appear to grant preferential treatment to a potential or actual contractor/customer of the Company. A business relationship with the Company will be conditional on compliance with this Code.

11. USE OF COMPANY'S PROPERTY

A) Every Director and member of Senior Management of the Company must not misappropriate the Company's property for personal use.
B) Every Director and member of Senior Management is entrusted with the care, management and cost-effective use of the Company's property, including the use of Company's name, and should not make use of these resources for their own personal benefit.
C) Every Director and member of Senior Management should ensure that all the Company's property assigned to them is maintained in good condition and should be able to account for such property.
D) Every Director and member of Senior Management shall not dispose of the Company's property except in accordance with the guidelines for this purpose.

12. FAIR DEALINGS WITH SUPPLIERS AND BUSINESS PARTNERS

The Company is committed to conducting its procurement and business dealings in a fair, transparent and ethical manner.

A) Every Director and member of Senior Management shall ensure that all decisions relating to the selection of suppliers, contractors, consultants, agents and other business partners are based on business considerations, including quality, service, price, delivery, reliability, technical capability and overall value to the company, or other similar factors;
B) Extraneous or personal interest/advantage should never be the criteria for arriving at purchase decisions;
C) Objective, fair, transparent and responsible criteria must be used while evaluating, passing or rejecting the quality of the goods/services supplied;
D) Care must be taken to avoid actual/potential conflicts of interest and the appearance of partiality regarding all business transactions with suppliers and other service providers.

All the Company's directors and members of Senior Management, contract labour, consultants, representatives, agents and others acting for the Company, are prohibited from the following actions:

- Soliciting, accepting, or attempting to accept any benefits.
- Including, directly or indirectly, the amount of any benefit in the price charged under a contract, either as prime contractor or sub- contractor.

The term ‘Benefit’ includes any money, fee, commission, credit, gift, gratuity, thing of value, or compensation of any kind whether in cash or kind that is provided directly or indirectly to anyone for the purpose of inappropriately or improperly obtaining or rewarding favourable treatment.

Note: any action that even appears to be in violation of the above principles would be severely dealt with.

13. USE OF THE COMPANY BRAND

Directors, members of Senior Management and employees shall not use or permit the unauthorised use of the Company's name, logo, trademarks or other intellectual property for personal benefit or in any manner that may adversely affect the Company's reputation or interests.

14. LEGAL COMPLIANCES

The Company is committed to conducting its business in compliance with all applicable laws, rules and regulations. The directors and members of Senior Management shall be responsible for understanding and complying with the legal and regulatory requirements relevant to their roles and shall seek appropriate guidance whenever required.. Any suspected or actual violation of laws or this code shall be reported promptly through the appropriate reporting channels in accordance with the Vigil Mechanism of the Company. Failure to comply with the applicable laws or this Code may result in disciplinary action by the Company, in addition to any civil, criminal or regulatory consequences under the applicable laws.

15. INTELLECTUAL PROPERTY RIGHTS

All documents, processes, manuals, literature, systems etc. or another intellectual property developed or created by the directors and members of Senior Management during their association with the company, are sole property and Intellectual Property Rights of the Company.

16. REPORTING CONCERNS

While every director and member of Senior Management shall ensure compliance with this code, any actual or possible violation of this code by any Director or member of Senior Management person, shall be immediately reported in accordance with the Vigil Mechanism of the Company.

Upon determination that there has been a violation of this Code, the Company shall take appropriate action against any person whose actions are found to violate this code or any other policies of the Company.

17. PERSONAL CONDUCT

Every director and member of Senior Management of the Company is expected to ensure that their conduct at all times, in official as well as personal capacity is such that the Company's reputation is upheld.

In official as well as personal capacity, every director and member of Senior Management at no times should indulge in any action / behaviour that:
- violates any law;
- is indicative of personal indiscretion;
- is socially unacceptable;
- using abusive-expletive infested language;
- refrain from using office assets and properties for personal works.

18. POLICY ON PREVENTION OF SEXUAL HARASSMENT

The Company believes in providing a positive work atmosphere, conducive for performance and therefore strongly opposes any sort of sexual harassment which makes the work atmosphere hostile and impacts employee engagement and self-esteem. Every Director and member of Senior Management of the Company shall abide by the POSH Policy of the Company.

19. OBSERVANCE OF THIS CODE OF CONDUCT

It is imperative that the directors and members of Senior Management) of the Company follow this Code. Ethical business conduct is critical to our business and it is the responsibility of every director and member of Senior Management to respect and adhere to these practices. Many of these practices reflect legal or regulatory requirements. These standards apply while working on Company's premises, at offsite locations wherever business is being conducted, or at any other place or where the employee is a representative of the Company.

All directors and members of Senior Management shall affirm compliance with the Code on an annual basis.

Violations of these laws and regulations can create significant liability for, the Company, its directors, officers, and other employees. Every Director and member of Senior Management must cooperate in any internal or external investigations of possible violations.

No adverse action will be taken against anyone for complaining about, reporting, participating or assisting in the investigation of a suspected violation of this Code, unless the allegation made or information provided is found to be wilfully and intentionally false. To the maximum extent possible, the Company will maintain utmost the confidentiality in respect of all the complaints received by it.

20. MODIFICATIONS

The Code shall be reviewed at such intervals, as is deemed necessary by the Board. Consequent upon any changes in regulatory guidelines, such change shall be deemed to be a part of the Code until the Code is reviewed and approved next time.

21. DISCLOSURE

This Code of Conduct shall be disclosed on the website of the Company and a web link thereto shall be provided in the Annual Report of the Company.