

ARCHANA SOFTWARE LIMITED

CIN: L17120TN1994PLC029226

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CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

1. INTRODUCTION

Regulation 46(2) (d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) requires every listed company to publish a code of conduct for its board of directors and senior management personnel on its website.

The company is committed to the highest standards of corporate governance and ethical conduct in all its activities and processes. It regards corporate governance as the cornerstone for sustained management performance, for serving all the stakeholders and for instilling pride in the association.

This Code of Conduct has been framed and adopted by the Company for the board of directors and senior management personnel in compliance with Regulation 17(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

2. DEFINITIONS

Unless the context otherwise requires, the words, terms, expressions and derivations used in this Policy shall have the same meaning given in the Companies Act, 2013 and/ or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

a. “Board” or “Board of Directors” shall mean the board of directors of the Company.

b. “Company” shall mean Archana Software Limited.

c. “Listing Regulations” shall mean SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

d. “Senior Management” shall mean the officers and personnel of the listed entity who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management 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 of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer.

3. APPLICABILITY

This code applies to:

a. Directors of Archana Software Limited (the Company) and

b. Members of Senior Management of the Company

4. CODE OF CONDUCT:

The Board of Directors (the Board) and the Senior Management of the Company agree to abide by the following Code of Conduct:

a. Attend Board/ Shareholders / Committee / Senior management meetings and seek prior leave for absence from such meeting/s.

b. Exercise authority and power with due care and diligence and discharge the fiduciary responsibility of office in the best interest of the Company and all the stakeholders.

c. Not allow personal interest to conflict with the interest of the Company or to come in the way of discharge of duties of office.

d. Abide by policies and business principles of the Company.

e. Comply with all applicable laws, rules and regulations.

f. Observe strict confidentiality of the information acquired in the course of discharge of duties of office and not use the same for any personal purpose or advantage.

g. Act in good faith, responsibly, with due care, competence and diligence

h. Oversee the conduct of the Company's business to evaluate whether the business is being properly managed.

i. Assess major risk factors relating to the Company and its performance and review measure to address and mitigate such risks.

j. Act in a manner to enhance and maintain the reputation of the Company.

k. Use Company property only for official purposes and for no personal gain. Not accept any personal gratification from suppliers/service providers/business partners, etc. (Note: Personal gratification will not include normal entertainment and gifts of no significant value).

l. Deal fairly with customers, suppliers, employees, and other business partners.

m. Respect safety and health of all employees and provide working conditions which are not harmful to health.

n. Encourage employees to acquire skills, knowledge and training to expand/enhance their professional and specialized knowledge.

o. Provide equal opportunities to all employees and aspirants for employment in the Company irrespective of gender, caste, religion, race or colour, merit being the sole differentiating factor.

p. Not take up any activities competing with the business of the Company

5. CONFLICT OF INTEREST

a. Business Interest

The Directors and Senior Management Executives are expected to:

- i. Disclose any direct or indirect personal interest (financial or otherwise) in any matter relating to the business of the Company to the Board of Directors of the Company ('the Board').
- ii. Preserve and protect Company's assets and resources (including information and intellectual property rights) and shall use the same only for the Company's business and not for personal gain / advantage.
- iii. Not to exploit, for their personal gain, opportunities that are discovered by or through the Company.
- iv. Not to divert to their own advantage any business opportunity that the Company is in pursuit.

b. Outside Directorship

- i. It is a conflict of interest to serve as a Director of any company that competes with the Company. The Directors and members of Senior Management are expected not to associate himself / herself with any competitor of the company.
- ii. If the members of the Senior Management are offered any directorship position, the respective member should not accept such directorship without obtaining prior consent of the Compliance Officer of the Company.

c. Outside Employment

In consideration of employment with the Company, Whole time Directors and Senior Management Executives are expected to devote their full attention to the business interest of the Company. The Senior Management Executives are prohibited from holding any position or job in any other company excluding subsidiaries.

d. Gifts

- i. The Company requires that every Director and the member of Senior Management should be fully compliant with the laws, statutes, rules and regulations that have the objective of preventing unlawful gains of any nature whatsoever.
- ii. Directors and the members of Senior Management shall not accept any offer, payment, promise to pay, or authorization to pay any money, gift, or anything of value from customers, suppliers, shareholders/ stakeholders, etc., that is perceived as intended, directly or indirectly, to influence any business decision, any act or failure to act, any commission of fraud, or opportunity for the commission of any fraud.

e. Insider Trading

Directors and Senior Management Executives of the Company must ensure that they and their relatives comply with the SEBI (Prohibition of Insider Trading) Regulations and the Company's Policy on Insider Trading. In particular, Directors must ensure that they do not, by themselves or through third parties, deal in the Company's shares while in possession of material non-public information relating to the Company. Directors and Senior Management Executives must also ensure that they do not divulge such information to third parties except for a legitimate purpose as defined in the Company's Policy who may use the information to deal in the Company's shares.

6. CONFIDENTIALITY

Directors and Senior Management should maintain the confidentiality of information entrusted to them by the Company.

The Company's confidential and proprietary information shall not be inappropriately disclosed or used for the personal gain or advantage of the Director/ Senior Management or anyone other than the Company.

Confidential information includes any information relating to the Company's business, customers, suppliers, employees etc., which is not available in the public domain and to which the Director/ Senior Management has access or they possess such information because of their position in the Company.

7. ENFORCEMENT

Violations of this Code or other Company Policies or Procedures by Senior Management Executives should be promptly reported to the HR Department and violations by Members of the Board of Directors of the Company to the Chairman or Managing Director.

The Board has the power to investigate, in such manner as it may deem fit, any breach or violation or alleged breach or violation of the Code.

The Company will take appropriate action against any person whose actions are found to violate the Code or any other policy of the Company. Disciplinary actions may include immediate termination of employment at the Company's sole discretion.

The Board also has the absolute power to determine penalty for the same as it may consider appropriate under the circumstances. Such penalty may be in addition to the penalty levied under any applicable law for the time being in force for such breach or violation.

8. INDEPENDENT DIRECTORS

The additional code of conduct applicable to independent directors pursuant to the provisions of the Companies Act, 2013, in addition to the code of conduct applicable to board of directors and senior management is enclosed as **Annexure A**.

9. AFFIRMATION

All Directors and Senior Management personnels shall affirm compliance with the Code on annual basis within 60 days after the closure of the financial year.

The Annual Affirmation (as per format enclosed as **Annexure B** shall be forwarded to the Company Secretary of the Company.

10. AMENDMENTS

The Board may amend the provisions of this Code from time to time. Unless otherwise specified, such amendments shall be effective from the date of the Board meeting at which such amendments are approved.

Approved and issued By the Board of Directors of Archana Software Limited	Applicable w.e.f 22 nd march 2019 Version.1.2
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Annexure A

Code of Conduct for 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 board and management;
- (3) scrutinize 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.

(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/she 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, 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 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 independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.

(4) The Board of directors of the Company shall take on record the declaration and confirmation submitted by the independent director under Regulation 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, after undertaking due assessment of the veracity of the same.

(5) The appointment of independent directors shall be formalised through a letter of appointment, which shall set out:

a) the term of appointment;

b) 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;

c) the fiduciary duties that come with such an appointment along with accompanying liabilities;

d) provision for Directors and Officers (D and O) insurance, if any;

e) the Code of Business Ethics that the company expects its directors and employees to follow;

f) the list of actions that a director should not do while functioning as such in the company; and

g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.

(6) The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.

(7) The terms and conditions of appointment of independent directors shall also be posted on the company's website.

V. Re-appointment

The re-appointment of Independent Director shall be on the basis of 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 three months 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:

(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.

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.

IX. Training Programme

The independent directors shall attend the training programme as may be organized by the Company in order to familiarize them with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc.

Annexure B

April 1,

The Board of Directors
Archana Software Limited
Land Marvel Nest, First FLOOR, 3 First Main Road Indira,
Nagar, Adyar, Chennai, Tamil Nadu, India, 600 020

Dear Sirs,

Sub: - Code of Conduct for Senior Management - Annual Compliance Affirmation pursuant to Reg 26(3) and 26(5) of SEBI (LODR) Regulations, 2015

I,(Name),(Designation) and a member of Senior Management Team of Archana Software Limited, do hereby solemnly affirm that to the best of my knowledge and belief, I have fully complied with the provisions of the Code of Conduct for Directors and Senior Management and there are no material, financial and commercial transactions, where I have personal interest that may have a potential conflict with the interest of the Company during the financial year ended March 31,

Name

Designation

Place: