



**Datasoft Computer Services Limited**

**CODE OF CONDUCT FOR INDEPENDENT DIRECTORS  
(As prescribed under Schedule IV of the Companies  
Act, 2013)**



**CODE OF CONDUCT FOR INDEPENDENT DIRECTORS**  
(As prescribed under Schedule IV of the Companies Act, 2013)

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 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 *bonafide* 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:**

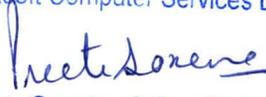
The independent directors shall:

- (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 control 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, insituations of conflict between management and shareholder's interest.

For Datasoft Computer Services Limited

  
Managing Director

For Datasoft Computer Services Limited

  
Company Secretary & Compliance Officer

### 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 anotherwise 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 behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- (12) acting 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.

### 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 there under 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:
  - 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.

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Managing Director

  
Company Secretary & Compliance Officer



and other meetings and profit related commission, if any.

- (5) 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.
- (6) 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 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.

**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.

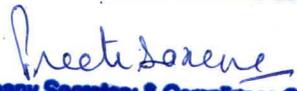
**IX. Communication of this Policy:**

The Policy shall be posted on the website of the Company i.e., <https://www.datasoftindia.in>

For Datasoft Computer Services Limited

  
Managing Director

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Company Secretary & Compliance Officer



## Introduction:

- ❑ The matters covered in this Code of Conduct for Board of Directors and Senior Management Personnel ("**Code**") are of the utmost importance to Datasoft Computer Services Limited ("**Company**"), its shareholders and stakeholders and are essential so that it can conduct business in accordance with legal and ethical values to which the Company is strongly committed.
- ❑ Pursuant to Regulation 17(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**SEBI Listing Regulations**"), the board of directors of a listed entity is required to lay down a code of conduct for all members of board of directors and senior management of the listed entity.
- ❑ In compliance with the SEBI Listing Regulations, the board of directors of the Company ("**Board**") has laid down this Code for the Board and the senior management personnel of the Company (i.e. officers / personnel of the Company who are members of its core management team excluding the Board and normally this shall comprise all members of management one level below the chief executive officer / managing director / whole time director/manager (including chief executive officer / manager, in case they are not part of the board) and shall specifically include company secretary, chief financial officer ("**Senior Management Personnel**"). This Code enables the Company to publicly state to its external stakeholders (suppliers, customers, consumers, and shareholders), the way in which they intend to do business. The Code shall become effective from 28<sup>th</sup> June, 2024

## Applicability of the Code:

This Code applies to the members of the Board and the Senior Management Personnel.

## Code of Conduct

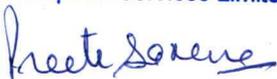
The Board and Senior Management Personnel of the Company should:

- ❑ act in accordance with the articles of the Company.
- ❑ act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interests of the Company, its employees, the shareholders, the community and for the protection of the environment.
- ❑ exercise their duties with competence, due and reasonable care, skill, diligence, in good faith and in the best interests of the Company and shall exercise independent judgments.
- ❑ not be actively involved in a situation in which they may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.

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Managing Director

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Company Secretary & Compliance Officer



- ❑ not achieve or attempt to achieve any undue gain or advantage either to themselves or to their relatives, partners, or associates and if found guilty of making any undue gain, they shall be liable to pay an amount equal to that gain to the Company.
- ❑ not assign one's office and any assignment so made shall be void.
- ❑ demonstrate the highest standards of integrity, business ethics, and corporate governance.
- ❑ provide expertise and experience in their areas of specialization and share learnings at the meetings of the Board with best interests of the Company and its stakeholders in mind. They should enable the Company's management in taking appropriate decisions by providing constructive inputs based on their experience and judgement;
- ❑ 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 judgments.

Non-Executive Directors of the Company shall:

- ❑ Always act in the interest of the Company and ensure that any other business or personal association which they may have does not involve any conflict of interest with the operations of the Company and their role therein.
- ❑ Comply with all applicable laws and regulations of all the relevant regulatory and other authorities as may be applicable to such Directors in their individual capacities.
- ❑ Safeguard the confidentiality of all information received by them by virtue of their position.

Code for Independent Directors

This 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 confidence of the investment community, particularly minority shareholders, regulators, and companies in the institution of Independent Directors.

Guidelines of professional conduct:

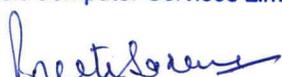
Independent Directors shall:

- ❑ uphold ethical standards of integrity and probity;
- ❑ act objectively and constructively while exercising his duties;
- ❑ exercise their responsibilities in a bona fide manner in the interest of the company;
- ❑ devote sufficient time and attention to their professional obligations for informed and balanced decision making;

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Managing Director

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- ❑ not allow any extraneous considerations that will vitiate their 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;
- ❑ not abuse their 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;
- ❑ refrain from any action that would lead to loss of their independence;
- ❑ where circumstances arise which make an independent director lose her/his independence, the independent director must immediately inform the Board accordingly;
- ❑ assist the company in implementing the best corporate governance practices.

#### Role and functions:

The Independent Directors shall:

- ❑ 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;
- ❑ bring an objective view in the evaluation of the performance of board and management;
- ❑ scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- ❑ satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- ❑ safeguard the interests of all stakeholders, particularly the minority shareholders;
- ❑ balance the conflicting interest of the stakeholders;
- ❑ 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;
- ❑ moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

#### Duties:

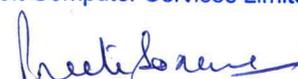
The Independent Directors shall—

- ❑ undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- ❑ 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;
- ❑ strive to attend all meetings of the Board and of the Board committees of which they are a member;

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- ☐ participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- ☐ strive to attend the general meetings of the Company;
- ☐ 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;
- ☐ keep themselves well informed about the Company and the external environment in which it operates;
- ☐ not unfairly obstruct the functioning of an otherwise proper Board or committees of the Board;
- ☐ 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;
- ☐ 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;
- ☐ report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
- ☐ act within their authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- ☐ 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.

#### **ANNUAL AFFIRMATION WITH COMPLIANCE OF THIS CODE:**

As per Regulation 26(3) of the SEBI Listing Regulations, all members of the Board and Senior Management Personnel of the Company shall affirm compliance with this Code on an annual basis.

#### **COMMUNICATION OF THIS POLICY:**

The Policy shall be posted on the website of the Company i.e., <https://www.datasoftindia.in>

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