



MEGASOFT LIMITED

[CIN: L72200TN1999PLC042730]

Regd. Office: No.85 Kutchery Road, Mylapore, Chennai 600004
Tel: 044-24616768 Fax: 044-24627810
www.megasoft.com

CODE OF BUSINESS CONDUCT AND ETHICS

Philosophy of Code of Governance

Megasoft Limited (hereinafter referred to as “Megasoft” or the “Company”) truly believes in independence, responsibility, transparency, professionalism, accountability and code of ethics, which are the basic tenets of corporate governance.

Megasoft always seeks to achieve optimum performance at all levels in adopting and adhering to best corporate governance practices. Megasoft has always focused on corporate governance as a means to maximise long-term stakeholders’ value through disciplined and sustained growth and value creation.

Code

This code of business conduct and ethics helps to ensure compliance with legal requirements and standards of business conduct.

The board of directors (hereinafter referred to as the “Board”) has adopted a code of business conduct and ethics (hereinafter referred to as the “Code”) for all

- Directors of the Company;
- Directors of any subsidiary of the Company;
- Key Managerial Personnel of the Company; and
- Members of Senior Management of the Company (i.e. one level below the executive directors including all functional heads).

Every board member and senior management personnel is expected to read and understand this Code and its application to the performance of his or her duties, functions and responsibilities.

Compliance Officer

Company Secretary is the Compliance Officer for the purpose of this code. The Compliance Officer shall refer to the Chairperson of the Board any complaint received for necessary action.

Honesty, Integrity & Professional Conduct

All board members and senior management personnel shall:

- conduct their activities, on behalf of Megasoft, with honesty, integrity and fairness and uphold ethical standards of integrity and probity;
- act in good faith, responsibility, with due care, competence and diligence, without allowing their independent judgement to be subordinated and objectively and constructively, while exercising his / her duties;
- act in the best interest of Megasoft, its various stakeholders including Megasoft stakeholders and fulfil the fiduciary obligations and exercise his / her responsibilities in a bonafide manner in the interest of Megasoft;
- devote sufficient time and attention to his / her professional obligations for informed and balanced decision making;
- not engage in conduct that is likely to bring discredit upon Megasoft;
- not use his position to the detriment of Megasoft or its stakeholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- not allow any extraneous considerations that will vitiate his exercise of objective judgments in the paramount interest of Megasoft as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- comply with every provision of this Code and assist Megasoft in implementing the best corporate governance practices.

Duties

All directors and senior management personnel shall -

- undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the activities;
- seek appropriate clarification or amplification of information and whenever necessary take and follow appropriate professional advice and opinion of outside experts;
- strive to attend all meetings of the Board and of the Board Committees of which he / she is a member;
- participate constructively and actively in all the meetings of the Committees of the Board in which they are Chairpersons or Members;
- strive to attend all general meetings of Megasoft as a Member of the Board;

- where they have any concerns of any action 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 Megasoft and the external environment in which it operates;
- not to unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board;
- pay sufficient attention and ensure that adequate deliberations are held before approving any related party transactions and assure themselves that the same are in the interest of Megasoft;
- report concerns about unethical behaviour, actual or suspected fraud or violation of this Policy;
- 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.

Conflict of Interest

All Board members and senior management personnel shall not engage in any business, relationship or activity, which may be in conflict of interest of Megasoft or the group companies.

Any question therefore about a Board member's or senior management personnel's actual or potential conflict of interest with Megasoft should be brought promptly to the attention of the Chairperson of the Board who will review the question and determine a proper course of action including whether consideration or action by the full Board is necessary.

Directors or senior management personnel involved in any conflict or potential conflict situations shall exclude themselves from any discussion or decision relating thereto.

Fair Dealing

All Board members and senior management personnel should deal fairly with Megasoft's customers, suppliers, competitors, officers and employees.

No Board member or senior management personnel may take unfair advantage of Megasoft's customers, suppliers, competitors or employees through manipulating, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice.

Gift or entertainment in any form that is likely to result in a feeling of expectation of personal obligation should not be accepted or extended.

Corporate Opportunities

All Board members and senior management personnel shall not exploit for their own personal gain opportunities that are discovered through the use of Megasoft property, information or position unless the opportunity is disclosed fully in writing to the Board and the Board gives its approval to pursue such opportunity.

Confidential Information

All Board members and senior management personnel shall maintain confidentiality of information (price sensitive or otherwise) they receive while being in office of Megasoft and they may also ensure security of information of Megasoft.

They will also ensure that the interests of any employee, who uses the vigil mechanism to report genuine concerns about unethical behaviour, are not prejudicially affected on account of such use and shall maintain confidentiality of all matters under this Policy.

Confidential Information of Others

Megasoft is required to abide by the terms of the relevant non-disclosure agreement and limit its use to the specific purposes for which it was disclosed and to disseminate it only to others with a need to know the information.

All Board members and senior management personnel shall not attempt to obtain a competitor's confidential information by improper means.

Protection of Assets

The Board and senior management personnel shall endeavour their best to protect Megasoft's assets and shall not use the same for personal benefit, unless approved by the Board.

Sexual Harassment

The Board and senior management personnel shall not indulge in sexual harassment whether directly or by implication which includes such unwelcome behaviour or physical contact and advances, or a demand or request for sexual favours, sexually coloured remarks, display of pornographic material or any other verbal or non-verbal communication of sexual nature is strictly prohibited.

Regulations

All Board members and senior management personnel shall comply with all applicable laws, rules, regulations and guidelines, including obligations under take-over and insider trading regulations and shall report actual non-compliances, if any, of law, this code, or other Megasoft policies or procedures to the Board.

As a public company, it is of critical importance that Megasoft's filings with the Securities and Exchange Board of India, the Reserve Bank of India and / or concerned stock exchange(s) on which the securities of Megasoft are or may be listed be full, fair, accurate, timely and understandable.

All Board members and senior management personnel may be requested to provide information necessary to ensure that Megasoft's published reports meet these requirements.

Megasoft expects all Board members and senior management personnel to provide prompt and accurate answer to enquiries relating to its public disclosure requirements.

Waiver

Waiver of this code in any respect or respects may be made only by the Board and will be publicly disclosed if required by any applicable laws or regulation. As a general policy, the Board will not grant waivers to the Code.

Having regard to the business practices, or the legal and regulatory framework applicable, the Board will review, revise or update the code, as it deems appropriate.

Affirm Compliance

All Board members and senior management personnel shall affirm compliance with the code on an annual basis.

FORM OF ANNUAL DECLARATION BY BOARD OF DIRECTORS ON COMPLIANCE WITH CODE OF BUSINESS CONDUCT AND ETHICS OF THE COMPANY

To
The Compliance Officer
Megasoft Limited
No.85, Kutchery Road
Mylapore
Chennai 600004

Sir

I, (here mention the name and designation) of Megasoft Limited, solemnly and sincerely affirm that I have adhered to the provisions of Code of Business Conduct and Ethics of the Company for the financial year ended

Thanks & Regards

Signature :

Name :

Designation :

Date :

FORM OF ANNUAL DECLARATION BY SENIOR MANAGEMENT PERSONNEL ON COMPLIANCE WITH CODE OF BUSINESS CONDUCT AND ETHICS OF THE COMPANY

To
The Managing Director
Megasoft Limited
No.85, Kutchery Road
Mylapore
Chennai 600004

Sir

I, (here mention the name and designation) of Megasoft Limited, solemnly and sincerely affirm that I have adhered to the provisions of Code of Business Conduct and Ethics of the Company for the financial year ended

Thanks

Signature :

Name :

Designation :

Date :

DECLARATION BY SENIOR MANAGEMENT PERSONNEL IN TERMS OF CLAUSE 49(II)(E)(2) OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES BY THE COMPANY

To
The Board of Directors
Megasoft Limited
No.85, Kutchery Road
Mylapore
Chennai 600004

Sir

In terms of the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges regarding the Corporate Governance, I wish to affirm that:

- I do not have any material financial and commercial transactions with the company, where my personal interest potentially conflicts with the interests of the company at large.
- I also affirm that I do not hold any shares / I hold shares of the company as on, in my name or through my dependents
- I further affirm that I have not traded in the shares of the company for the financial year ended

OR

I confirm that I purchased / sold number of shares in the company during the financial year ended, but I confirm that these shares were never traded by me when the CLOSURE OF TRADING WINDOW was announced by the Company under the SEBI (Insider Trading) Regulations, 1992 (as amended from time to time).

- I also affirm that I do not have any commercial dealing with any body corporate in which the management and their relatives hold shares.

Thanks

Signature :

Name :

Designation :

Date :