



MEGASOFT LIMITED
[CIN: L24100TN1999PLC042730]

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

**CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING , CODE OF
PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED
PRICE SENSITIVE INFORMATION AND POLICY FOR DETERMINATION OF
"LEGITIMATE PURPOSES"**

INTRODUCTION

Insider trading refers to trading in the securities of a company by its directors, employees or other persons (“designated persons”) so as to make a profit or avoid any loss, on the basis of unpublished price sensitive information known only to them and not to the general body of shareholders. This kind of profiteering by a designated person, taking unfair advantage of unpublished price sensitive information available to him/her by virtue of his/her position or connection with the Company, erodes investors’ confidence in the integrity of the management of the Company.

Any trading in the securities of Megasoft Limited (the Company) by its Directors / Officers, employees or other persons connected with the Company, based on unpublished price sensitive information, in their possession which can impact the price of the Company’s securities, shall constitute insider trading.

In order to deal with insider trading in securities, the Securities and Exchange Board of India (SEBI) has framed the SEBI (Prohibition of Insider Trading) Regulations, 2015.

OBJECTIVE

This document lays down the Company's policy and the Code of Conduct which will be the governing framework in respect of trading in securities of Megasoft Limited by the said designated persons.

Megasoft Limited

1. Insider Trading Code of Conduct CODE

- 1.1 This Code of Conduct called **Megasoft– Insider Trading Code of Conduct** (the Code) has been adopted by the Board. Further, the Code has been revised pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018 (as amended) (“the Regulations”)
- 1.2 The Code has been made pursuant to Regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (the Regulations) to regulate, monitor and report trading by the Designated Persons and other Connected Persons of the Company with a view to comply with the provisions of the Regulations.

2. Applicability

The Code will be applicable to designated persons and immediate relatives of designated persons and such other persons as the Regulations may require.

3. Definitions

- 3.1 “Act” means the Securities and Exchange Board of India Act, 1992.
- 3.2 “Board” means the Securities and Exchange Board of India.
- 3.3 “Chinese Wall” means a barrier especially to the passage of information or communication.
- 3.4 “Company” or “the Company” or “MSL” means Megasoft Limited.
- 3.5 “Compliance Officer” means any senior officer designated so and reporting to the Board of Directors of the Company who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under the Regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the code specified in the Regulations under the overall supervision of the Board of Directors of the Company.
- 3.6 “Connected Person” means, -
 - (i) any person who is or has during the six months prior to the concerned act been associated with the Company, in any capacity, directly or indirectly, including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the Company or holds any position including a professional or business relationship whether temporary or permanent, with the company that allows such a person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access;
 - (ii) Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established, -
 - (a) a relative of connected persons specified in clause (i); or
 - (b) a holding, associate or subsidiary company; or
 - (c) an intermediary as specified in Section 12 of the Act or an employee or director thereof; or
 - (d) an investment company, trustee company; asset management company or an employee or director thereof; or
 - (e) an official of a stock exchange or a clearing house or corporation; or
 - (f) a member of the board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof; or
 - (g) a member of the board of directors or an employee of a public financial institution as defined in section 2(72) of the Companies Act, 2013; or

- (h) an official or an employee of a self-regulatory organization recognized or authorized by the Board; or
- (i) a banker of the Company; or
- (j) a concern, firm, trust, Hindu undivided Family, company or association of persons wherein a Director of the Company or his relative or banker of the Company, has more than ten percent of the holding or interest; or
- (k) a firm or its partner or its employee in which a connected person specified in clause (i) is also a partner; or
- (l) a person sharing household or residence with a connected person specified in clause (i).

3.7 “Designated Person” includes the Promoters, Directors, Key Managerial Personnel, Chief Executive Officer (CEO) / Managing Director (MD), Auditors, personnel working in Finance, Legal, Internal Audit, Information technology and Secretarial Departments, and employees up to two levels below CEO/MD, senior management personnel in the Company and such other persons as identified by the Managing Director in consultation with Compliance Officer of the Company on the basis of their functional role in the Company and access to price sensitive information of the Company as required under the Regulations.

3.8 “Director” means a director appointed to the board of the Company.

3.9 “generally available information” means information that is accessible to the public on a non-discriminatory basis and shall not include unverified event or information reported in print or electronic media.

3.10 “immediate relative” means spouse of a person, and includes parent, sibling and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities.

3.11 “Insider” means any person who is

- (a) a Connected Person; or
- (b) in possession of or having access to unpublished price sensitive information.
- (c) in receipt of unpublished price sensitive information pursuant to a “legitimate purpose”.

3.12 “key managerial persons or personnel” in relation to the Company shall have the meaning ascribed to such term under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Prohibition of Insider Trading) Regulations, 2015 (“PIT Regulations”) and as defined in Section 2 (51) of the Companies Act, 2013.

3.13 “Legitimate purposes” shall include sharing of unpublished price sensitive information in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations.”

3.14 “promoter” shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof;

“promoter group” shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof;

3.15 “relative” shall mean the following:

- (i) spouse of the person;
- (ii) parent of the person and parent of its spouse;
- (iii) sibling of the person and sibling of its spouse;
- (iv) child of the person and child of its spouse;
- (v) spouse of the person listed at clause (iii); and
- (vi) spouse of the person listed at clause (iv)

Note: The relatives of a “connected person” too become connected persons for the purpose of these regulations. It is a rebuttable presumption that a connected person had UPSI.

- 3.16 “SEBI” means the Securities and Exchange Board of India.
- 3.17 “securities” shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 or any modification thereof.
- 3.18 “Specified” means specified by the Board in writing.
- 3.19 “Takeover regulations” means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto.
- 3.20 "trading" means and includes subscribing, redeeming, switching, buying, selling, dealing, or agreeing to subscribe, redeem, switch, buy, sell, deal in any securities, and "trade" shall be construed accordingly.
- 3.21 “trading day” means a day on which the recognized stock exchanges of India are open for trading.
- 3.22 “Trading Window” means a time during which promoters, Directors, Designated Person and Insiders are permitted to trade in the Company’s securities in accordance with this Code.
- 3.23 “unpublished price sensitive information” means any information, relating to the Company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily include but is not restricted to, information relating to the following:
- (i) financial results;
 - (ii) dividends;
 - (iii) change in capital structure;
 - (iv) mergers, demergers, acquisitions, delistings, disposals and expansion of business, award or termination of order/contracts not in the normal course of business and such other transactions; and
 - (v) changes in key managerial personnel other than due to superannuation or end of term, and resignation of a Statutory Auditor or Secretarial Auditor;
 - (vi) change in rating(s), other than ESG rating(s);
 - (vii) fund raising proposed to be undertaken;
 - (viii) agreements, by whatever name called, which may impact the management or control of the company;
 - (ix) fraud or defaults by the company, its promoter, director, key managerial personnel, or subsidiary or arrest of key managerial personnel, promoter or director of the company, whether occurred within India or abroad;
 - (x) resolution plan/ restructuring or one time settlement in relation to loans/borrowings from banks/financial institutions;
 - (xi) admission of winding-up petition filed by any party /creditors and admission of application by the Tribunal filed by the corporate applicant or financial creditors for initiation of corporate insolvency resolution process against the company as a corporate debtor, approval of resolution plan or rejection thereof under the Insolvency and Bankruptcy Code, 2016;
 - (xii) initiation of forensic audit, by whatever name called, by the company or any other entity for detecting mis-statement in financials, misappropriation/ siphoning or diversion of funds and receipt of final forensic audit report;
 - (xiii) action(s) initiated or orders passed within India or abroad, by any regulatory, statutory, enforcement authority or judicial body against the company or its directors, key managerial personnel, promoter or subsidiary, in relation to the company;
 - (xiv) outcome of any litigation(s) or dispute(s) which may have an impact on the company;
 - (xv) giving of guarantees or indemnity or becoming a surety, by whatever named called, for any third

party, by the company not in the normal course of business;
(xvi) granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

Explanation 1- For the purpose of clause (ix):

a. 'Fraud' shall have the same meaning as referred to in Regulation 2(1)(c) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.

b. 'Default' shall have the same meaning as referred to in Clause 6 of paragraph A of Part A of Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Explanation 2- For identification of events enumerated in this clause as unpublished price sensitive information the guidelines for materiality referred at paragraph A of Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be specified by the Board from time to time and materiality as referred at paragraph B of Part A of Schedule III of the Securities and Exchange

Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall be applicable."

- 3.24 Words and phrases not specifically defined herein but defined in the Securities and Exchange Board of India Act, 1992, the Securities Contracts Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act, 2013 and rules and regulations made thereunder shall have the meanings respectively assigned to them in therein.

4 Regulation of 'Information'

- i. The Company will regulate the flow of unpublished price sensitive information within the organization and such information shall be made available and passed onto any person only on a 'need to know' basis as specified in this Code.
- ii. Files containing confidential information and/or unpublished price sensitive information shall be kept secure; computer files must have adequate security of login, password etc.
- iii. Unpublished price sensitive information relating to the Company or relating to the securities of the Company shall be made available or communicated by an Insider to any person including other Insiders only in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- iv. An Insider shall not on his own accord reveal any unpublished price sensitive information relating to the Company or to its securities to any person unless such disclosure is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- v. If an Insider commits a breach or accidentally crosses a Chinese Wall in respect of any unpublished price sensitive information, it shall be reported to the Compliance Officer and immediate action shall be initiated by the Compliance Officer to stop such information from being further misused.
- vi. Unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction that would:
 - a. entail an obligation to make an open offer under the Takeover regulations where the Board of Directors of the Company is of informed opinion that sharing of such information is in the best interests of the Company;
 - b. not attract the obligation to make an open offer under the Takeover regulations but where the Board of Directors of the Company is of informed opinion that the sharing of such information is in the best interests of the Company and the information that constitutes unpublished price sensitive information is disseminated to be made generally available at least two trading days prior to the proposed transaction being effected in such form as the Board of Directors of the Company may determine to be adequate and fair to cover all relevant and material facts.
- vii. The Board of Directors of the Company shall for the purposes of transactions mentioned in Clause 4(vi)

require the parties to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties except for the purpose mentioned in 4(vi) and such parties shall not trade in the securities of the Company when in possession of unpublished price sensitive information.

- viii. The Board of Directors shall ensure that a structured digital database is maintained containing the nature of unpublished price sensitive information and the names of such persons who have shared the information and also the names of such persons with whom information is shared under this regulation along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. "Provided that entry of information, not emanating from within the organisation, in structured digital database may be done not later than 2 calendar days from the receipt of such information."
- ix. "Provided that, for unpublished price sensitive information not emanating from within the Company, trading window may not be closed."

Such Databases shall be maintained internally with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.

The said structured digital database should be preserved for a period of not less than eight years after completion of the relevant transactions and in the event of receipt of any information from the Board regarding any investigation or enforcement proceedings, the relevant information in the structured digital database shall be preserved till the completion of such proceedings.

4A. Institutional Mechanism for Prevention of Insider trading:

- i. The CEO/Executive Director of the Company shall put in place an adequate and effective system of internal controls as specified under the Regulations, to ensure compliance.
- ii. Audit Committee of the Company shall at least once in a financial year verify that the systems for internal control are adequate and are operating effectively.
- iii. In case of leak of UPSI or suspected leak of UPSI, the same should be promptly reported to the Compliance Officer of the Company. The Compliance Officer of the Company shall report to the Chairman of the Audit Committee about the leak of UPSI after making necessary inquiry into the reported matter. In case of leak of UPSI, necessary investigation shall be done and an investigation report shall be provided/placed before the Audit Committee for their review and recommendation to the Board of Directors. The Board of Directors of the Company shall decide the further course of action based on the recommendations received from the Audit Committee and in terms of the requirements of the Regulations.

5 Trading Window

5.1 The Compliance Officer of the Company may announce closure of Trading Window for securities of the Company for all the Promoters, Directors, Insiders or a Designated Person or class of Designated Persons who can reasonably be expected to have possession of unpublished price sensitive information in relation to such securities. Immediate relatives of the aforesaid persons shall also not trade in the securities of the Company when the Trading Window is closed.

The trading window restrictions shall not apply (a) in transactions specified in clauses (i) to (iv) and (vi) of the proviso to sub-regulation (1) of regulation 4 and in respect of a pledge of shares for a bonafide purpose such as raising of funds, subject to pre clearance by the compliance officer and compliance with the respective regulations made by the Board; (b) transactions which are undertaken in accordance with the respective regulations made by the Board such as acquisition by conversion of warrants or debentures, subscribing to rights issue, further public issue, preferential allotment or tendering of shares in a buy-back offer, open offer, delisting offer or transactions which are undertaken through such other mechanism as may be specified by the Board from time to time.

5.2 Trading Window will be closed for any Unpublished Price Sensitive Information transactions as defined above in sub-clause 3.33 of clause 3 and when the Compliance Officer determines that a Designated Person or a class of Designated Persons can reasonably be expected to have possession of unpublished price sensitive information.

Provided that, for unpublished price sensitive information not emanating from within the Company, trading window may not be closed.

5.3 The timing for re-opening of the Trading Window shall be determined by the Compliance Officer taking into account various factors including the unpublished price sensitive information in question becoming generally available and being capable of assimilation by the market, which in any event shall not be earlier than forty-eight hours after the information becomes generally available.

Trading restriction period for Quarterly financial results will generally be made applicable from the end of every quarter till 48 hours after the declaration of financial results.

6 Disclosures

All disclosures to be made by any person under this Code shall include those relating to trading by such person's immediate relatives, and by any other person for whom such person takes trading decisions. Disclosures relating to trading shall also include trading in derivatives of the securities provided that trading in derivatives of the securities is permitted by any law for the time being in force. All such disclosures shall be maintained by the Company for a period of 8 years.

6.1 Initial Disclosure

- a) Every person on appointment as a key managerial personnel or as a Director of the Company or upon becoming a promoter or member of the promoter group shall disclose his holding of securities (including derivatives) of the Company as on the date of appointment or becoming a promoter of the Company **within seven days** of such appointment or becoming a promoter; to the Compliance Officer in **Form B**
- b) All designated persons shall be required to disclose such information as prescribed in the Regulations including name and Permanent Account Number (PAN) of immediate relatives and persons with whom such designated person (s) shares a material financial relationship along with PAN and other details like phone number, mobile number(s) which are used by immediate relatives and person with whom such designated person shares material financial relationship, in such form as may be prescribed from time to time, on an annual basis and as and when the information changes or required by the Compliance Officer of the Company. The Compliance Officer shall be empowered to review the disclosure requirements and take appropriate action in this regard.
- c) Designated Persons shall also disclose the following details:
 - 1. the name of educational institutions from which designated persons have graduated; and
 - 2. name of the past employer(s)

6.2 Continuous Disclosure

Every promoter and member of the promoter group, Director and Key managerial Personnel of the Company and a Designated Person shall disclose to the Compliance Officer in **Form C** the number of such securities (including derivatives) acquired or disposed of **within two trading days** of such transaction, if the value of the securities (including derivatives) traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs. 10 (Ten) Lac. The Compliance Officer shall notify in such form and such manner as may be specified by the Board from time to time, the particulars of such trading to the stock exchange on which the securities (including derivatives) are listed **within two trading days** of receipt of the disclosure or from becoming aware of such information.

Note: The disclosure of the incremental transactions after any disclosure made as aforesaid shall be made when the transactions effected after the prior disclosure cross the threshold limit specified in Clause 6.2 (a) above.

Subsequent to a trade, the designated person shall not execute a contra trade within 6 months of the earlier trade. The Compliance Officer is empowered to grant relaxation from such restriction provided such relaxation does not violate the regulations and the reasons for the relaxation should be recorded in writing.

In case a contra trade is executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to SEBI for credit to the Investor Protection and Education Fund administered by it.

No insider shall trade in securities of a Company when in possession of unpublished price sensitive information. Insiders shall report to the Company **within two working days** of any transaction in the securities of the Company including, the off-market transfer and the Company shall report particulars of such trades to the Stock Exchanges within two trading days from receipt of such disclosure or becoming aware of such information in terms of the requirements of the Regulations.

6.3 Disclosure by connected persons

Connected Persons identified by the Board of Directors of the Company in consultation with the Compliance Officer will make disclosures of holdings and trading in securities of the company in **Form D** at such frequency as may be determined by the company.

7 Trading in Company' Securities

7.1 The promoters, Directors and Designated Persons and their immediate relatives shall:

- (i) execute trades subject to compliance with the Code;
- (ii) trade only when the **Trading Window** is open; and
- (iii) trade in the securities of the Company only after pre-clearance by the compliance officer, if the value of the proposed trade (buy/sell) is above ten lakhs in one year. An application form in form -I should be made for pre-clearance.

7.2 Procedure for pre-clearance:

- a) All Designated Persons and his/its immediate relative shall, when the Trading Window is open, trade (i.e. buy or sell securities and if the value of the securities likely to be traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs.10,00,000/- (Rupees Ten Lakh Only), subject to pre-clearance by the Compliance Officer, by sending the request for approval in Form No.I indicating the estimated number of units of securities that the designated person or their immediate relative(s) intends to trade, the details as to the depository with which he/she has a security account, the details as to the securities in such depository mode and such other details as specified in the form and also declare that the applicant is not in possession of UPSI.
- b) The request can be sent to Compliance officer. No Designated Person shall apply for pre-clearance of any proposed trade if such Designated Person is in possession of UPSI even if the Trading Window is not closed
- c) Prior to approving any trade, the Compliance Officer shall be entitled to seek declaration to the effect that the applicant for pre-clearance is not in possession of any UPSI. He/she shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate.
- d) The trades that have been pre-cleared shall be executed in not more than 7 (Seven) Trading

Days from the date of approval, by the applicant, failing which fresh pre-clearance would be needed for the trades to be executed.

- e) Applicant(s) who have obtained the pre-clearance are required to submit a report of the transactions done (including a NIL report, if no transaction is done) within 4 (four) days from the expiry of the specified time period to the Compliance Officer.
- f) The application for pre-clearance, reporting of trades executed, reporting of decisions not to trade after securing pre-clearance, recording of reasons for such decisions and for reporting level of holdings in securities at such intervals shall be provided in Form I
- g) The Applicants shall not execute a contra trade within a period of 6 months within which a trade is permitted.
- h) The Compliance Officer may grant relaxation to a contra trade for reasons recorded in writing provided that such relaxation does not violate the Code or the Regulations.
- i) In case a contra trade is executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to SEBI for credit to the Investor Protection and Education Fund administered by it.

No insider shall trade in securities of a Company when in possession of unpublished price sensitive information. Insiders shall report to the Company within two working days of any transaction in the securities of the Company including, the off-market transfer and the Company shall report particulars of such trades to the Stock Exchanges within two trading days from receipt of such disclosure or becoming aware of such information in terms of the requirements of the Regulations.

8 Formats

The formats of various forms / applications referred to in the Code as per the prescribed format as per the regulations.

9 Reports

- (i) The Compliance Officer shall submit compliance reports to the Chairman of the Audit Committee of the Board at the end of every financial quarter or as required under the Regulation.
- (ii) The Compliance Officer shall within seven days of coming to know of any contravention of the Code or the Regulations, immediately bring the same to the notice of the Chairman of the Audit Committee, and take such other necessary action as may be required under the Regulations.

10 Penal Provisions

- 10.1 An employee/Designated Person/Director who trades in the Company's securities or communicates any information for trading in the Company's securities in contravention of the Code shall be penalized and appropriate action may be taken by the Company.
- 10.2 An employee/Designated Person/Director who violates the provisions of this Code shall be liable for such penal / disciplinary / remedial action as may be considered appropriate by the Company / Compliance Officer including but not limited to wage freeze, suspension, recovery, termination of employment and requiring the employee/Designated Person/Director in breach of this Code to make over to the Company any gain arising out of any transactions or any loss avoided from any transaction effected in breach of this Code.

In addition to the action taken by the Company, the Company shall report/inform the SEBI or stock exchange(s) where the concerned securities are traded, about the violation of Regulations in such form and such manner as may be specified by the Board from time to time.

Any amount collected/disgorged under this clause shall be remitted to the Board for credit to the Investor Protection and Education Fund administered by the Board under the Act.

11 Miscellaneous

- 11.1 The Compliance Officer shall be responsible for intimating any changes in policies to all persons governed by the Code.
- 11.2 The Board of Directors of the Company has the right to change / amend this Code from time to time at its sole discretion on its own accord, provided the revised Code is in compliance with applicable law including the Regulations, or in pursuance of any amendments made by SEBI to the SEBI (Prohibition of Insider Trading) Regulations, 2015.
- 11.3 The decision of the Compliance Officer in respect of any matter under this Code shall be final, binding and conclusive.
- 11.4 In case the terms of this Policy differ from any law, rule, regulation etc. for the time being in force, the law, rule, regulation etc. shall prevail over this Policy.
- 11.5 All correspondence with Megasoft Limited in regard to the Code shall be sent to the Compliance Officer and marked "**CONFIDENTIAL**".

CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

1. The Company shall make a prompt public disclosure of unpublished price sensitive information that would impact the share price no sooner than credible and concrete information comes into being in order to make such information generally available.
2. The Company shall ensure a uniform and universal dissemination of unpublished price sensitive information to avoid selective disclosure.
3. The Compliance Officer shall be the chief investor relations officer to deal with the dissemination of information and disclosure of unpublished price sensitive information.
4. The Company shall promptly disseminate the unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
5. The Company shall provide an appropriate and fair response to queries on news reports and requests for verification of market rumors by regulatory authorities.
6. The Company shall ensure that the information shared with analysts and research personnel is not unpublished price sensitive information.
7. The Company shall develop best practices to make available transcripts or records of proceedings of all meetings with analysts and other investor relations conferences on the Company's official website to ensure official confirmation and documentation of disclosures made.
8. The Company shall handle all unpublished price sensitive information on a need-to-know basis.
9. The Policy for determination of "Legitimate Purposes" is annexed and forms part of this Code.

Policy for Determination of "Legitimate Purposes"

1. Applicability

This Policy is pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018 (as amended) and effective from April 01, 2019 and forms part of "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information". This Policy shall be strictly adhered to by all the Insiders of the Company.

2. Purpose

This Policy is in accordance with Regulation 3(2A) of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018. The objective of this policy is to identify 'Legitimate Purposes' for performance of duties or discharge of legal obligations, which will be considered as exception for the purpose of procuring unpublished price sensitive information (UPSI) relating to the Company or its listed securities or proposed to be listed securities, if any.

3. Definition of Legitimate Purposes

"Legitimate purposes" shall include sharing of unpublished price sensitive information in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations."

4. Sharing of unpublished price sensitive information for Legitimate Purposes

Any person in receipt of unpublished price sensitive information pursuant to a "legitimate purpose" shall be considered an "insider" for purposes of these regulations.

The Compliance Officer shall give notice to such person to make such person aware of the responsibility of dealing with the UPSI with utmost care, keeping the information confidential and to not trade in shares of the Company either themselves or through any other source, on the basis of such information.

All information shall be handled within the organization on a need-to-know basis and no UPSI shall be communicated to any person except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

When a person who has traded in securities has been in possession of UPSI, his trade(s) would be presumed to have been motivated by the knowledge and awareness of such UPSI in his possession.

FORM - I
APPLICATION FOR PRE CLEARANCE

Date:

To

**The Compliance Officer
Megasoft Limited**

Dear Sir/Madam,

Application for Pre-dealing approval in securities of the Company

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Code of Conduct to Regulate, Monitor and Report Trading by Insiders of Megasoft Limited ("**Code**"), I seek approval to purchase / sale / subscription of equity shares of the Company as per details givenbelow:

| | | |
|-----|--|--|
| 1. | Name of the applicant | |
| 2. | Designation | |
| 3. | Number of securities held as on date | |
| 4. | Folio No. / DP ID / Client ID No.) | |
| 5. | The proposal is for (a) Purchase of securities (b) Subscription to securities (c) Sale of securities | |
| 6. | Proposed date of dealing in securities | |
| 7. | Estimated number of securities proposed to be acquired/subscribed/sold | |
| 8. | Price at which the transaction is proposed | |
| 9. | Current market price (as on date of application) | |
| 10. | Whether the proposed transaction will be through stock exchange or off-market deal | |
| 11. | Folio No. / DP ID / Client ID No. where the securities will be credited / debited | |

I enclose herewith the form of Undertaking signed by me.

Yours faithfully,

(Signature)

UNDERTAKING TO BE ACCOMPANIED WITH THE APPLICATION FOR PRE-CLEARANCE

To,

**The Compliance Officer
Megasoft Limited**

I, _____, _____ of the Company residing at _____, _____, am desirous of dealing in _____ shares of the Company as mentioned in my application dated _____ for pre-clearance of the transaction.

I further declare that I and my immediate relative(s) are not in possession of or otherwise privy to any unpublished Price Sensitive Information (as defined in the Code of Conduct to Regulate, Monitor and Report Trading by Insiders ("**Code**"), up to the time of signing this Undertaking.

In the event that I and my immediate relative(s) have access to or received any information that could be construed as "Unpublished Price Sensitive Information" as defined in the Code, after the signing of this undertaking but before executing the transaction for which approval is sought, I shall inform the Compliance Officer of the same and shall completely refrain from dealing in the securities of the Company until such information becomes public.

I declare that I have not contravened the provisions of the Code as notified by the Company/ SEBI from time to time.

In the event of this transaction being in violation of the Code or the applicable Laws and Regulations,

- a) I will, unconditionally, release, hold harmless and indemnify to the fullest extent, the Company and its directors and officers, (the 'indemnified persons') for all losses, damages, fines, expenses, suffered by the indemnified persons,
- b) I will compensate the indemnified persons for all expenses incurred in any investigation, defense, crisis management or public relations activity in relation to this transaction and
- c) I authorise the Company to recover from me, the profits arising from this transaction and remit the same to the SEBI for credit of the Investor Protection and Education Fund administered by the SEBI.

If approval is granted, I shall execute the deal within 7 (seven) days of the receipt of approval failing which I shall seek pre-clearance.

I undertake to submit the necessary report within 4 (four) days of execution of the transaction / a 'Nil' report if the transaction is not undertaken.

I declare that I have made full and true disclosure in the matter.

Signature :

Name :

Date :

FORM B

**SEBI (Prohibition of Insider Trading) Regulations, 2015
[Regulation 7 (1) (b) read with Regulation 6(2) – Disclosure on
becoming a Key Managerial Personnel/Director/Promoter/Member of
the promoter group]**

Name of the company: _____

ISIN of the company: _____

Details of Securities held on appointment of Key Managerial Personnel (KMP) or Director or upon becoming a Promoter or member of the promoter group of a listed company and immediate relatives of such persons and by other such persons as mentioned in Regulation 6(2).

| Name, PAN, CIN/DIN & Address with contact nos. | Category of Person (KMP / Director or Promoter or member of the promoter group/ Immediate relative to/others, etc.) | Date of appointment of KMP/Director / OR Date of becoming Promoter/ member of the promoter group | Securities held at the time of appointment of KMP/Director or upon becoming Promoter or member of the promoter group | | % Shareholding of |
|--|---|--|--|-----|-------------------|
| | | | Type of securities (For eg. – Shares, Warrants, Convertible Debentures, Rights entitlements, etc.) | No. | |
| 1 | 2 | 3 | 4 | 5 | 6 |

Note: “Securities” shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

Details of Open Interest (OI) in derivatives on the securities of the company held on appointment of KMP or Director or upon becoming a Promoter or member of the promoter group of a listed company and immediate relatives of such persons and by other such persons as mentioned in Regulation 6(2).

| Open Interest of the Future contracts held at the time of appointment of Director/KMP or upon becoming Promoter/member of the promoter group | | | Open Interest of the Option Contracts held at the time of appointment of Director/KMP or upon becoming Promoter/member of the promoter group | | |
|--|--|-------------------------------|--|--|-------------------------------|
| Contract specifications | Number of units (contracts * lot size) | Notional value in Rupee terms | Contract specifications | Number of units (contracts * lot size) | Notional value in Rupee terms |
| 7 | 8 | 9 | 10 | 11 | 12 |

Note: In case of Options, notional value shall be calculated based on premium plus strike price of options

Name & Signature: _____

Designation: _____

Date: _____

Place: _____

FORM C

SEBI (Prohibition of Insider Trading) Regulations, 2015

[Regulation 7 (2) read with Regulation 6(2) – Continual Disclosure]

Name of the company: _____

ISIN of the company: _____

Details of change in holding of Securities of Promoter, Member of the Promoter Group, Designated Person or Director of a listed company and immediate relatives of such persons and other such persons as mentioned in Regulation 6(2).

| Name, PAN, CIN/DIN, & address with contact nos. | Category of Person (Promoter/member of the promoter group/designated person/Director s/immediate relative to/others etc.) | Securities held prior to acquisition/disposal | | Securities acquired/Disposed | | | | Securities held post acquisition/disposal | | Date of allotment advice/acquisition of shares/disposal of shares, specify | | Date of intimation to company | Mode of acquisition/disposal (on market/public/rights/preferential offer/off market/Inter-se transfer, ESOPs, etc.) | Exchange on which the trade was executed |
|---|---|---|----------------------------|---|-----|-------|--|---|---------------------------|--|----|-------------------------------|---|--|
| | | Type of securities (For eg. – Shares, Warrants, Convertible Debentures, Rights entitlements etc.) | No. and % of share holding | Type of securities (For eg. – Shares, Warrants, Convertible Debentures, Rights entitlement, etc.) | No. | Value | Transaction Type (Purchase/sale Pledge / Revocation / Invocation/ Others-please specify) | Type of securities (For eg. – Shares, Warrants, Convertible Debentures, Rights entitlement, etc.) | No. and % of shareholding | From | To | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |

Note: (i) "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

(ii) Value of transaction excludes taxes/brokerage/any other charges

Details of trading in derivatives on the securities of the company by Promoter, member of the promoter group, designated person or Director of a listed company and immediate relatives of such persons and other such persons as mentioned in Regulation 6(2).

| Trading in derivatives (Specify type of contract, Futures or Options etc.) | | | | | | Exchange on which the trade was executed |
|--|-------------------------|----------------|--|----------------|--|--|
| Type of contract | Contract specifications | Buy | | Sell | | |
| | | Notional Value | Number of units (contracts * lot size) | Notional Value | Number of units (contracts * lot size) | |
| 16 | 17 | 18 | 19 | 20 | 21 | 22 |

Note: In case of Options, notional value shall be calculated based on Premium plus strike price of options.

Name & Signature:

Designation:

Date:

Place:

FORM D (Indicative format)

**SEBI (Prohibition of Insider Trading) Regulations, 2015
Regulation 7(3) – Transactions by Other connected persons as identified by the company**

Details of trading in securities by other connected persons as identified by the company

| Name, PAN, CIN/DIN, & address with contact nos. of other connected persons as identified by the company | Connect ion with company | Securities held prior to acquisition/disposal | | Securities acquired/Disposed | | | | Securities held post acquisition/disposal | | Date of allotment advice/ acquisition of shares/ disposal of shares specify | | Date of intimation to company | Mode of acquisition/ disposal (on market/ public/ rights/ Preferential offer / off market/ Inter-se transfer, ESOPs etc.) | Exchange on which the trade was executed |
|---|--------------------------|---|---------------------------|---|-----|-------|--|---|----------------------------|---|----|-------------------------------|--|--|
| | | Type of securities (For eg. – Shares, Warrants, Convertible Debentures, Rights entitlement, etc.) | No. and % of shareholding | Type of securities (For eg. – Shares, Warrants, Convertible Debentures, Rights entitlement, etc.) | No. | Value | Transaction Type (Purchase/Sale/ Pledge/ Revocation / Invocation/ Others-please specify) | Type of securities (For eg. – Shares, Warrants, Convertible Debentures, Rights entitlement, etc.) | No. and % of share holding | From | To | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |

Note: (i) "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

(ii) Value of transaction excludes taxes/brokerage/any other charges

Details of trading in derivatives on the securities of the company by other connected persons as identified by the company

| Trading in derivatives (Specify type of contract, Futures or Options etc.) | | | | | | Exchange on which the trade was executed |
|--|-------------------------|----------------|--|----------------|--|--|
| Type of Contract | Contract specifications | Buy | | Sell | | |
| | | Notional Value | Number of units (contracts * lot size) | Notional Value | Number of units (contracts * lot size) | |
| 16 | 17 | 18 | 19 | 20 | 21 | 22 |

Note: In case of Options, notional value shall be calculated based on premium plus strike price of options.

Name:

Signature:

Place:
