

CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT OF SAKSOFT LIMITED

PREAMBLE:

The Securities and Exchange Board of India has amended Clause 49 of the Listing Agreement so as to improve the standard of Corporate Governance in tune with the transitional changes of Investor Protection. As per Clause 49(ID) of the Listing Agreement, the Board of Directors shall lay a code of Conduct for its Board Members and Senior Management. The Code of conduct has been reviewed further and modified by the Board and the revised code is set out below.

This code of Conduct is in addition to the Rules and Regulations of Saksoft Limited. For any queries and clarifications, please feel free to post the same to the Company Secretary.

TITLE:

This Code of Conduct (hereinafter referred to as "this Code") shall be called "The Code of Conduct for Board Members and Senior Management of Saksoft Limited (hereinafter referred to as "the Company").

APPLICABILITY:

This code shall apply to

1. All Members of the Board.
2. Senior Management. Senior Management mean personnel of the company who are members of its core management team excluding Board of Directors. Senior Management of Saksoft limited, *inter-alia*, shall include the Chief Financial Officer, Head of the Human Resources Department, the two functional heads at Chennai and Noida.
3. Company Secretary.
4. All executives of the Company who are directly reporting to the Chief Executive of the Company.

THE CODE:

The Board Members and Senior Management Personnel shall observe the following code of conduct and shall act within the authority conferred upon them.

This code shall come into force with immediate effect.

INTERPRETATION CLAUSE:

In this code wherever the word "Director" appears, it will also include senior management personnel to the extent applicable.

The term "Relative" shall have the same meaning as defined in Section 6 of the Companies Act, 1956.

Words importing the masculine shall include feminine and words importing singular shall include the plural or vice versa.

Any question or interpretation under this Code of Business Conduct and Ethics will be considered and dealt with by the Board or any person authorized by the Board on their behalf.

CONDUCT OF THE BUSINESS:

The Directors shall act and perform at all times in accordance with the highest standards of Integrity, honesty, propriety and fairness. They shall also ensure that the affairs of the Company shall have ethical and honest conduct.

Honest Conduct implies that the conducts are free from any fraud or deceit or collusion or willful mis-statements.

Ethical Conduct includes ethical handling of actual or apparent conflicts of interest between personal and professional relationships. Directors should promote ethical behavior and take steps to ensure that the Company promotes ethical behavior and also encourages employees to freely report violations of laws, rules, regulations or the Company's Code of Conduct to the appropriate personnel.

COMPLIANCE WITH APPLICABLE LAWS AND REGULATION:

The Directors shall comply with the requirements of laws for the time being in force and shall also ensure compliance of the same by the employees also. The Director and Senior Management shall ensure that the Company is in compliance with the applicable laws, regulations and statutes governing the Companies in general in India. In this regard, the Board may seek necessary appropriate, professional and competent assistance (internal and external) to ensure compliance. The Board shall also establish and ensure a robust internal control mechanism to accomplish its objectives.

No Director or authorized signatories shall authorize or permit or process any payment that would violate any law for the time being in force.

FINANCIAL REPORTING

The Board shall establish Sound Financial Reporting Practices to ensure that the Company prepares and maintains proper Books of Account for preparing reliable financial statements which will comply with the Indian GAAP, Accounting Standards, Companies Act, SEBI Guidelines and other mandatory accounting pronouncements.

The Board shall also ensure that the Company makes adequate disclosure of Financial Information to the shareholders and other general public required by the Securities and Exchange Board of India and other statutory and Stock Exchange Authorities.

CONFLICT OF INTEREST:

The Directors must disclose all potential conflict of interest on any matter whatsoever concerning the Company (including its affiliates, group companies, associates, subsidiaries, joint venture). A conflict of interest is presumed to be in existence where the interest or benefits of the Directors conflicts with the interest of the Company.

BUSINESS INTEREST:

The Directors and the Senior Management Personnel shall, while investing in any securities of any of the customer, supplier, developer or competitors of the Company, shall ensure that the interest of the Company is not compromised in any manner. In this regard, the Board/Senior Management share obtain all necessary approvals (Internal/External) such as Board Approval, Shareholders Approval. Approvals from statutory authorities to make sound financially viable investment decision.

RELATED PARTY TRANSACTIONS:

No Director or his relatives or a firm in which such Director or relatives is a Partner or any Body Corporate in which such Director or relatives is also a Director shall derive any undue significant advantage from the Company by virtue of the existence of relationship. Such Directors shall disclose his interest and shall abstain from any discussions or meetings concerning such interest to ensure that no undue benefits are given to the other transacting party. The Board shall ensure arms length basis of pricing for related party transactions. The Board shall record the same in their Board meeting and maintain a Register for the same.

The term "RELATED PARTY" shall have the meaning assigned to it Under Accounting Standard 18 issued by the Institute of Chartered Accountants of India.

1. Parties are considered to be related if at any time during the reporting period one party has the ability to control the other party or exercise significant influence over the other party in making financial and/or operating decisions.
2. Significant influence means participation in the financial and/or operating policy decisions of an enterprise, but not control of those policies.
3. Control means
 - (a) Ownership, directly or indirectly, of more than one half of the voting power of an enterprise, or
 - (b) control of the composition of the board of directors in the case of a company or of the composition of the corresponding governing body in case of any other enterprise, or
 - (c) a substantial interest in voting power and the power to direct, by statute or agreement, the financial and/or operating policies of the enterprise.

GIFTS

Directors shall not offer, give or receive gifts from persons or entities dealing with the Company, where any such gift is perceived as intended directly or indirectly, to influence any business decision. The gift shall include free boarding, transport, lodging or other service or any other material pecuniary advantage. Directors should also avoid acceptance of lavish or frequent hospitality from any individual or firm having official dealings with the Company.

CONFIDENTIALITY:

The Directors and Senior Management shall ensure that no sensitive information relating to the affairs of the Company which comes to his knowledge by virtue of his position and in discharging his functions shall be disclosed and they shall be maintained under the highest degree of confidentiality save for disclosure under any law. No Director or Senior Management Personnel shall disclose any information relating to the affairs of the Company in any press or media unless they are specifically authorized to do the same.

BUSINESS OPPORTUNITIES:

Directors should not exploit their own benefit, opportunities that are discovered through the use of Company property, information and position unless the opportunity is disclosed to the Board of Directors and the Board has also authorized such Director to peruse such opportunity. The Directors shall not use property or any information of the Company for obtaining any personal gain or advantage.

INSIDER TRADING

The Directors, Senior Management or relatives of any of the Directors or Senior Management Personnel shall not derive any undue benefits or advantage from the unpublished price sensitive information, which are in possession of such director or senior management personnel and that, which is not available in public domain. The Board members and the Senior Management Personnel shall ensure compliance with the requirements of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 as amended from time to time.

EQUALITY:

Saksoft is committed to a policy of equal employment opportunities to assure that there is no discrimination against any employee or applicant on the grounds of Sex, race, religion, caste, creed, status, disability, nationality, Place of Origin, age and other factors. The Human Resources Policy provides the scope and ambit of non-discrimination in selection, appointment and post appointment trainings of any human capital. The Company is committed to the strict adherence to prohibition of sexual harassment or unlawful exploitation.

REPORTING:

The Board of Directors shall ensure that this code of conduct shall be adhered to both in letter and in spirit. The Company Secretary shall be the Compliance Officer for the purpose of this code. The Board of Directors are required to report any violation of this code or illegal and unethical behavior to the Compliance Officer. The Compliance officer shall make preliminary investigations relating to such violation and shall report to the Board along with his recommendation. Such recommendation shall be placed before the Board for their final action, if any, and such shall be communicated to the accused employee or Directors as the case may be. All information received under this Clause shall be kept confidential.

Every employee of the Company shall immediately and promptly bring to the notice of the Board any possible violation of the code or any acts which is or is likely to cause any adverse effect on the reputation of the Company that is or has been or is proposed to be committed by any Directors and Senior Management Personnel of the Company. The company shall establish a Whistle Blower Policy for complying with the provisions of the Listing Agreement for affording protection to the Whistle Blower.

DISCIPLINARY ACTION:

All matters set out in this code of conduct is of pivotal importance to the Company, its stakeholders and its business partners and it is deemed essential for the Company's performance in accordance with its objectives, values and standards.

The Company will take appropriate disciplinary actions against any Directors or Senior Management Personnel if they are found to be guilty of violating this code of conduct or any policies. Before taking any action, the accused Director or Senior Management Personnel shall be given an opportunity of being heard. Disciplinary Action shall include termination from services, employment or any business relationship with the Company.

WAIVERS AND AMENDMENT

Any waiver of any of the provisions of this Code for any member of the Board or Senior Management Personnel shall be approved by the Board of Directors in writing and shall be passed by way of a Board Resolution. Based on business requirements, this Code may be amended from time to time. However the amended Code shall be placed before the Board and then be adopted after getting the same approved by the Board of Directors.

ENFORCEMENT:

The Company Secretary of the Company shall be the Compliance Officer for the purpose of enforcement and complying with the requirements of this code.

ACKNOWLEDGEMENT

All the members of the Board of Directors and Senior Management Personnel shall acknowledge the receipt of this Code of Conduct. They shall state that they have received, read, understood and agree to abide by the Code of Conduct. They shall return the acknowledgment form to the Compliance Officer. New Directors will submit their acknowledgment letter when their tenure of Directorship commences. In the case of Senior Management Personnel, they will submit their acknowledgment letter as and when they assume the responsibility as a Senior Management Personnel or Function head or an executive directly reporting to the members of the Board.

AFFIRMATION

All the Members of the Board and Senior Management Personnel to whom this code applies shall within 10 days from the end of the Financial Year affirm compliance with this Code of Conduct stating their continued understanding of and compliance with the Code. The Annual Compliance Declaration duly signed shall be forwarded to the Compliance Officer of the Company.