

COMPUCOM SOFTWARE LIMITED

INSIDER TRADING CODE OF CONDUCT

And

THE CODE OF CORPORATE DISCLOSURE PRACTICES FOR PREVENTION OF INSIDER
TRADING OF THE COMPANY

As

Approved by the Board of Directors in the

BOARD MEETING held on

27th May 2011

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INSIDER TRADING

(I) INTRODUCTION

Trading of securities of a listed company by insiders, who have access to price sensitive information and can benefit from their special status at the expense of the general investor is referred to as Insider Trading.

In this ever-changing environment and possible avenues of communication of price sensitive information, SEBI has notified SEBI (Prohibition of Insider Trading) Regulations, 1992 to put a curb on this mal practice.

These regulations contain comprehensive code for regulations, disclosures and approvals within company, for Directors, Managers, Company Secretary, Auditors and Designated Employees, which needs to be followed, if these categories of personnel acquire, hold, purchase, sell or otherwise deal in Company's securities. The regulations also require the Company to frame and implement a code of conduct for prevention of Insider Trading.

The enclosed code has to be approved by the Board of Directors of the Company and all the employees shall abide by the provisions of the same.

(II) OBJECTIVES AND SCOPE OF THE CODE

The code of Insider Trading has been formulated to comply with the various requirements as laid down under SEBI Regulations on Insider Trading. The code shall govern all acquisitions, purchase, sale and otherwise trading by Directors/designated employees in the securities of the Company. Adherence to the code is mandatory for all the employees. Detailed disclosures and approvals are required from the Directors, Officers and other Designated Employees.

In particular these categories are

- Board of Directors (both executive and non-executive)
- Officers
- Designated Employees and all employees in Accounts, Finance, Internal Audit, Legal and Secretarial Department, Chief Financial Officers, Executive Directors, Vice Chairman, Managing Director and any other person holding the office of Chief Executive/Operating Officer (whatever be their designation)

- Employees of other Departments, who would reasonably expect to have access to, unpublished information relating to the Company, on case-to-case basis.
- Employees holding 5% or more of the voting rights or the paid up capital in the Company.
- Connected person.

(III) Preamble

- 1.1 Compucom Software Limited (CSL) is a Public Limited Company which deals in computer software and hardware, Computer Education, E-Governance and other related peripherals.
- 1.2 The securities of the Company are listed on stock exchanges i.e. at BSE and Calcutta Stock Exchange. Being a listed entity, it is governed by the regulations and guidelines of Securities and Exchange Board of India (SEBI).
- 1.3 CSL is required to comply with the regulations governing Insider Trading i.e. SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended in 2008. Accordingly, SEBI has prohibited trading by companies and its insiders while they are in possession of any unpublished price sensitive information.
- 1.4 Regulations 12 provide that all the listed entities should adopt a code of conduct as per schedule I of Regulations which contain a model code of conduct to prevent insider trading. These regulations need to be substantially complied by CSL.
- 1.5 CSL, therefore, in compliance of above, revises code of conduct to prevent any insider-trading attempt.

(IV) The Policy and Obligations

CSL endeavors to preserve the confidentiality of the unpublished price sensitive information and to prevent the misuse of such information by anyone connected to the Company. The Company is committed to transparency and fairness in dealing with all laws and regulations.

Every director, officer and designated employee of the company has a duty to safeguard the confidentiality of all such information obtained in the course of his or her work at the Company. No director, officer or designated employee may use his or her position or knowledge of the affairs of the Company to gain personal benefit to provide benefit to any third party.

To achieve these objectives, CSL (hereinafter referred to as “the Company”) hereby notifies that this code of conduct is to be followed by all the directors, officers and designated employees and connected persons.

PART A – Definitions

- a) “Company” means Compucom Software Limited (hereinafter referred to as “CSL”)
- b) “Compliance Officer” The Company has appointed the Company Secretary as compliance officer who shall report to the Managing Director of the Company.
- c) “Connected persons”– means any person who:
 - (i) Is a director of the Company;
 - (ii) Occupies the position as an officer or an employee of the Company or holds a position involving a professional or business relationship between himself and the Company (whether temporary or permanent) and who may reasonably be expected to have an access to unpublished price sensitive information in relation to the Company.

[For the purpose of clause (C) “connected person” shall mean any person who is connected person six months prior to the act of insider trading]

- d) “Dealing in securities” means an act of subscribing, buying, selling or agreeing to subscribe, buy, sell or deal in any securities by any person either as principal or agent.
- e) “Deemed Connected Person” means and includes:
 - 1. Any group Company, Company under the same management or subsidiary Company.
 - 2. Dependent family members of connected person.
 - 3. Merchant Banker, Share Transfer Agents, Registrars to an issue, Investment / Corporate Advisor, Sub-broker or any employee thereof having a fiduciary relationship with the Company.
 - 4. Trustee of any trust, the beneficiaries of which include any of the connected persons.
 - 5. Trustee of any trust, which is conferred with the Power of Attorney to act on behalf of beneficiaries in respect of securities of the Company.
 - 6. Any person who was a connected person, whether temporary or permanent six months prior to the act of Insider Trading;
 - 7. Persons having professional or business relationship between themselves and the Company, whether temporary or permanent and by the virtue of such relationship are expected to be in possession of price sensitive information.
 - 8. Any other person or category of persons mentioned in Regulation 2 of the SEBI (Prohibition of Insider Trading) Regulations, 1992.
 - 9. Any person who is a relative of any of the aforementioned persons.
 - 10. Bankers of the company.
 - 11. Any other relatives of the connected persons.

- f) “Designated Employee” shall mean :
1. Executive and Non-Executive Director(s).
 2. All Employees in the Accounts, Finance and Secretarial Departments.
 3. Employees designated by the Board of Directors from time to time to whom the trading restrictions shall be applicable.
- g) “Dependent Family Member” means the employees’ spouse, dependent parents and dependent children.
- h) “Free Period” means any period other than the prohibited period and this period is also known as “Trading Window”.
- i) “Insider” means any person who is or was connected with the Company or is deemed to have been connected with the Company, and is reasonably expected to have access or connection to unpublished price sensitive information in respect of securities of the Company or who has received or has had access to such unpublished price sensitive information.
- j) “Insiders Trading”: when insiders use unpublished price sensitive information to arrive at securities trading (including buying / selling) decisions, the action is referred to as insider trading.
- k) “Officers” – means and includes any director, manager or secretary of the Company and includes any person in accordance to whose directions/instructions the Director(s) is accustomed to act, being designated employees.
- l) “Price Sensitive Information” means any information which relates directly or indirectly to the Company and which if published is likely to materially affect the price of securities of the Company;

Explanation: - The following shall be deemed to be price sensitive information:-

- (i) Periodical financial results of the Company;
- (ii) Intended declarations of dividends (both interim and final);
- (iii) Issue of shares / securities by way of public issue, preferential issue, rights issue or bonus issue;
- (iv) Buy- back of shares;
- (v) Any expansion plans or execution of new projects;
- (vi) Amalgamations, mergers or takeovers, corporate re-structuring;
- (vii) Disposal of whole or substantial part of undertaking;
- (viii) Any significant change in policies, plans or operations of the Company;

- (ix) Any other information which, if disclosed, in the opinion of the person disclosing the same is likely to materially affect the prices of the securities of the Company.

m) “Prohibited Period” means;

- (i) Period beginning 3 days in advance of the day when the Board of Directors are to consider any price sensitive information and ending after 24 hours from the time the price sensitive information is made public.
- (ii) Such other period as may be specified by the Compliance officer from time to time in consultation with the Managing Director.

n.) “Securities” include Company’s shares, debentures, bonds, and derivatives or like instruments traded on any Stock Exchange.

o) “Unpublished” means information, which is not published by the Company or its agents in any form / media and is not specific in nature.

Explanation: Speculative reports in print or electronic media shall not be considered as published information.

Words and expressions not defined in these regulations shall have the same meaning as contained in SEBI (Prohibition of Insider Trading) Regulations, 1992 or the Securities and Exchange Board of India Act, 1992.

p.) “Working Day” means the working day when the regular trading is permitted on the concerned stock exchange(s) where the securities of the Company are listed.

PART `B`

DUTIES OF COMPLIANCE OFFICER

1.1 Duties Of Compliance Officer:

The Compliance Officer shall be responsible for establishing policies, procedures, and monitoring adherence to the Code under the overall supervision of the Board. Compliance officer shall be responsible for the following:

1. He/she shall maintain a record of designated employees and any changes made to the list of connected persons.

2. He/she may in consultation with the Managing Director and as directed by the Board, specify Prohibited Period from time to time and immediately make an announcement thereof.
3. He/she shall maintain a record of Prohibited Period specified from time to time.
4. He/she shall be responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of “ Price Sensitive Information”, Pre clearance of Designated Employees’ and their dependents’ trades, monitoring of trades and implementation of the code of conduct under the overall supervision of the Board of the Company
5. He/she shall maintain records of all the declarations submitted in the appropriate form given by the Directors, Officers, and Designated Employees for a minimum period of three years.
6. He/she shall place before the Managing Director, on half yearly basis all the details of the dealing in the securities by Designated Employees, Directors, Officers of the Company and the accompanying documents that such person had executed under the pre-dealing procedure as envisaged under these rules.
7. He/she shall from time to time inform the Stock Exchanges, where the shares are listed, of any price sensitive information on immediate basis.
8. He/she shall intimate to all Stock Exchanges on which the securities of the company are listed the information required under clause 5 relating to reporting requirements.
9. He/she shall be responsible for overseeing and coordinating disclosure of price sensitive information to Stock Exchanges, analysts, shareholders and media and educating staff on disclosure policies and procedure and report to the Managing Director.
10. He/she shall ensure that prohibited period is intimated to all concerned at least 48 hours before the commencement of the said period.
11. He/she shall inform SEBI of any violation of SEBI (Prohibition of Insider Trading) Regulations, 1992 within 7 days of knowledge of violation.
12. He/she shall assist all the employees in addressing any clarifications regarding the Securities and Exchange Board of India (Prohibitions of Insider Trading) Regulations, 1992 and the Company’s Code of Conduct.

2. CONFIDENTIALITY OF PRICE SENSITIVE INFORMATION

(Applicable to all Directors and employees, whether Officers or designated employees)

2.1 Confidentiality and Preservation of Price Sensitive Information.

Designated Employees, Directors, Officers shall maintain the confidentiality of all price sensitive information. Employees/ directors shall not pass any such information to any person directly or indirectly by way of making a recommendation for the purchase of the securities.

2.2 Employee / Directors to maintain confidentiality

It is imperative that all directors, officers or designated employees are required to maintain confidentiality of price sensitive information and should adhere to the following:

- (i) Not to acquire/purchase/sell or otherwise deal in securities, whether by themselves or on behalf of others, while in possession of unpublished price sensitive information.
- (ii) Not to pass on/share such information to any person directly / indirectly by way of making recommendation for purchase or sale of securities.
- (iii) Ensure that access to the price sensitive information is restricted and safeguarded.

2.3. Need to know

Unpublished Price Sensitive Information is to be handled on a “need to know” basis i.e. Price Sensitive Information should be disclosed only to those within the Company who need the information to discharge their duties and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of information. All non-public information directly received by an employee should immediately be reported to the head of the Department/Compliance officer.

2.4 Limited access to confidential information.

Files containing confidential information shall be kept secure, in safe custody. Computer files must have adequate security of login and pass word etc. Files containing confidential information shall be deleted or destroyed.

3. Prohibition on Dealing, Communicating or Counseling on matters relating to Insider Trading.

No Insider shall-

3.1 Either on his own behalf, or on behalf of any other person, deals in securities of the Company when in possession of unpublished price sensitive information;

3.2 Communicate or counsel or procure directly or indirectly any unpublished price sensitive information to any person. However these restrictions shall not be applicable to any communication required in the ordinary course of business or under any law.

PART `C`

TRADING RESTRICTIONS

(Applicable to Directors, Officers and Designated Employees)

All directors/officers and designated employees of the company shall be subjected to trading restriction as enumerated hereunder.

4.1 TRADING WINDOW

The period prior to declaration of price sensitive information is particularly sensitive for transactions in the Company's securities. This sensitivity is due to the fact that the Directors, Officers and Designated Employees will, during that period, often possess unpublished sensitive information. During such sensitive times, the Directors, Officers and Designated Employees will have to forego the opportunity of trading in the Company's securities. The Directors, Officers and Designated Employees of the Company shall not deal in the securities of the Company when the trading window is closed.

The company shall specify a trading period, to be called "Trading Window", for trading in the Company's security. The Trading Window shall be closed during the time when the price sensitive information is still unpublished.

4.2 The Trading Window shall be, inter-alia, closed at the time of:

- a. Declaration of periodical financial results of the Company (quarterly, half yearly & annual).
- b. Declarations of dividends (interim and final).
- c. Issue of shares by way of public issue, preferential issue, rights issue or bonus issue.
- d. Any major expansion plans or execution of new projects.
- e. Amalgamations, mergers or takeovers, corporate re-structuring, and buy- back of shares.
- f. Disposal of whole or substantial part of undertaking.
- g. Any significant change in policies, plans or operations of the Company or disruption of the Company's operations due to natural calamities.
- h. Any other information which, if disclosed, in the opinion of the person disclosing the same is likely to materially affect the prices of the securities of the Company.

4.3 The trading window shall be opened 24 hrs after the information referred to in 4.2 is made public.

4.4 All Directors, Officers, Designated Employees of the Company shall conduct their dealings in the securities of the Company only during the free period and shall not deal in any transactions involving the purchase or sale of the securities of the Company during the prohibited period or during any other period as may be specified by the Company from time to time.

5 PRE – CLEARANCE OF TRADES

All Directors, Officers, Designated Employees of the Company and their dependants as defined by the Company, who intend to deal in the securities of the Company, are required to follow the pre clearance of the proposed acquisition/ purchase/ sale transaction by themselves or through their dependent family members as per the procedure described hereunder, if the said transaction is in excess of 25000 shares or Rs. Five Lacs in the market value, or 1% of total share holding or voting rights which ever is lower or any limit notified by SEBI, if any, in a single transaction.

5.1 Pre-dealing Procedure

In such a case application of pre-clearance has to be made to the Compliance Officer.

An undertaking shall be executed in Favour of the Company by such designated employee /Directors/Officers incorporating, inter- alias, the following clauses, as may be applicable:

- (i) That the employee / director / officer does not have access or has not received “Price Sensitive Information up to the time of signing the undertaking.
- (ii) That in case the Designated Employee / Director / Officer has access to or receives “Price Sensitive Information” after the signing of the undertaking but before the execution of the transaction he/she shall inform the Compliance Officer of the change in his position and that he/she would completely refrain from dealing in the securities of the company till the time such information becomes public.
- (iii) That he/she has not contravened the code of conduct or prevention of insider trading as notified by the company from time to time.
- (iv) That he/she has made full disclosure in the matter.

The Compliance Officer shall on receiving the application shall provide the Director, Officer and Designated Employee with an acknowledgement on the duplicate of the application.

The Compliance Officer shall scrutinize the application within 3 working days of acknowledgement and then communicate the approval or refusal as the case may be (along with the reasons thereof) to the applicant. The pre – clearance application is to be decided by the Compliance Officer or the Managing Director. The Compliance Officer shall retain copies of applications and acknowledgements.

5.2 Other restrictions

All Directors, Officers and Designated Employee and their dependants shall execute their order in respect of securities of the Company within one week after the approval of pre-clearance is given. If the order is not expected within one week after the approval is given, the Directors, Officers and Designated Employees must pre-clear the transaction again.

All Directors, Officers and Designated Employee who shall buy or sell any number of shares of the Company shall not enter into an opposite transaction i.e. sell or buy any number of shares during the next six months following the prior transaction. All Directors, Officers and Designated Employee shall not take positions in derivatives transactions in the shares of the Company at any time.

In case of subscription in the primary market (initial public offer), the above mentioned entities shall hold their investments for a minimum period of 30 days. The holding period would commence when the securities are actually allotted.

Director, Officer, Designated Employee shall hold their investments in securities for a minimum period of 30 days irrespective of the mode of acquisition in order to be considered as being held for investment purpose.

In case the sale of securities is necessitated by personal emergency, the compliance officer may waive the holding period after recording in writing his or her reasons in this regard. An application of waiver of holding period shall be made to the Compliance Officer.

PART `D`

DISCLOSURE OF HOLDINGS IN SECURITIES (Applicable to Directors, Officers and Designated Employees)

6.1 Initial Disclosures

1. Every Director, Officer, Designated Employee, or person holding more than 5% share / voting rights in the Company shall disclose to the Company in Form A, the number of shares or voting rights in the Company held by him and their dependent members of becoming a Director, or Officer or designated Employee of the Company within 2 working days of:-

- (a) The receipt of intimation of allotment of shares; or
- (b) The acquisition of shares or voting rights, as the case may be.

2 Every Director, Officer, Designated Employee of a Company shall disclose to the Company in Form B, the number of shares or voting rights held and positions taken in derivatives by such person and his dependants, within 2 working days of becoming a Director, Officer, Designated Employee of the Company.

6.2 Continual Disclosure

1. Every Director, Officer, Designated Employee, or person holding more than 5% share / voting rights in the Company shall disclose to the Company in Form C, the number of shares or voting rights held and change in shareholding or voting rights, even if such change results in shareholding falling below 5%, if there has been change in such holdings from the last disclosures made under the sub clause (1) Of clause 6.1 and such change exceeds 2% of total shareholding or voting rights in the Company

2. Every Directors, Officer, Designated Employee of the Company shall disclose to the Company in Form D the number of shares or voting rights in the Company held by him / her and change in their shareholding or voting rights from the last disclosure made under this Clause or under 5.1, if such change exceeds Rupees Five lakh in value or 25,000 shares or 1% of the total shareholding or voting rights, whichever is lower or any revised limits notified by SEBI from time to time.

“Change” means net change arrived at after taking netting off purchase and sale of securities.

3. The aforesaid disclosure has to be made within 2 working days of:

- (i) The receipt of intimation of allotment of shares, or
- (ii) The acquisition or sale of shares or voting rights as the case may be.

4. The disclosure under this clause shall be sent to the Compliance Officer of the Company.

6.3 Quarterly / Annual Disclosure

All Directors, Officer, Designated Employee of the Company and their dependent family members dealing in the securities of the Company shall be required to forward following details of their securities transactions including the holdings of dependent family members to the Compliance Officer:

1. Statement of any transactions in securities of the Company, whether pre-clearance of trade was obtained or not, on quarterly basis within 15 days from the end of each quarter; and
2. Annual statement of all holdings in securities of the Company as on 31st March of each year, before 30th April of that year.

6.4 E-filing

The disclosures required under this regulation may also be made through electronic filing in accordance with the system devised by the stock exchange.

6.5 Disclosure by Company to Stock Exchanges

Within 2 days of the receipt of the information of under clause 5.1 and 5.2, the Compliance Officer shall disclose to all the Stock Exchanges on which the securities of the Company are listed, the information received.

6.6 Records of disclosure received by the Company:

The Compliance officer shall maintain records of all declarations in the appropriate form given by the Director, as authorized by the Board in this behalf, on half yearly basis of all the dealing in the securities by the designated Employees, Directors, Officers of the Company and the accompanying documents that such person has executed under the pre-dealing procedure as envisaged in this code.

PART `E` MISCELLANEOUS

7. Delegation

The Compliance Officer may delegate the powers and functions upon him / her by this code to one or more employees of the Company, to be exercised by them in consultation of the Chief Financial Officer of the Company.

8. Penalty For Non – Adherence To The Code Or Contravention Of Code Of Conduct.

Any Directors / Officer, Designated Employee who indulge in any transaction in the shares / securities of the Company or communicates any information or counsels any person trading in shares / securities, in contravention of the Code of Conduct may be penalized and subject to appropriate disciplinary action after being given reasonable opportunity to show cause.

Directors, Officers and Designated Employees of the Company who violate this Code of Conduct shall also be subject to disciplinary action by the Company, which may include salary or wage freeze, suspension, withholding of promotions, termination from service etc.

The action of the Company shall not preclude SEBI from taking any action in case of violation of the SEBI (Prohibition of Insider Trading) Regulations, 1992.

9. Information to SEBI in case of violation of the SEBI (Prohibition of Insider Trading) Regulations, 1992.

In case it is observed by the Company and / or Compliance Officer that there has been a violation of the SEBI (Prohibition of Insider Trading) Regulations, 1992, SEBI shall be informed by the Company

10. Duty to ensure compliance: All concerned employees shall observe this code sincerely and in spirit

**CODE OF CORPORATE DISCLOSURE PRACTICES
FOR
PREVENTION OF INSIDER TRADING**

1.0 Corporate Disclosure Policy

1.1 To ensure timely and adequate disclosure of price sensitive information, the following norms shall be followed by Company:—

2.0 Prompt disclosure of price sensitive information

2.1 Price sensitive information shall be given by Company to stock exchanges and disseminated on a continuous and immediate basis.

2.2 The Company shall also consider ways of supplementing information released to stock exchanges by improving Investor access to their public announcements.

3.0 Overseeing and co-ordinating disclosure

3.1 The Company shall designate a senior official (such as compliance officer) to oversee corporate disclosure.

3.2 This official shall be responsible for ensuring that the company complies with continuous disclosure requirements. Overseeing and co-ordinating disclosure of price sensitive information to stock exchanges, analysts, shareholders and media and educating staff on disclosure policies and procedure.

3.3 Information disclosure/dissemination may normally be approved in advance by the official designated for the purpose.

3.4 If information is accidentally disclosed without prior approval, the person responsible may inform the designated officer immediately, even if the information is not considered price sensitive.

4.0 Responding to market rumours

4.1 The Company shall have clearly laid down procedures for responding to any queries or requests for verification of market rumours by exchanges.

4.2 The official designated for corporate disclosure shall be responsible for deciding whether a public announcement is necessary for verifying or denying rumours and then making the disclosure.

5.0 Timely Reporting of shareholdings/ownership and changes in ownership

5.1 Disclosure of shareholdings/ownership by major shareholders and disclosure of changes in ownership as provided under any Regulations made under the Act and the listing agreement shall be made in a timely and adequate manner.

Disclosure/dissemination of Price Sensitive Information with special reference to Analysts, Institutional Investors

6.0 The Company should follow the guidelines given hereunder while dealing with analysts and

institutional investors:—

(i) *Only Public information to be provided* – The Company shall provide only public information to the analyst/research persons/large investors like institutions . Alternatively, the information given to the analyst should be simultaneously made public at the earliest.

(ii) *Recording of discussion* - In order to avoid misquoting or misrepresentation, it is desirable that at least two company representative be present at meetings with Analysts, brokers or Institutional Investors and discussion should preferably be recorded.

(iii) *Handling of unanticipated questions* – The Company should be careful when dealing with analysts' questions that raise issues outside the intended scope of discussion. Unanticipated questions may be taken on notice and a considered response given later. If the answer includes price sensitive information, a public announcement should be made before responding.

(iv) *Simultaneous release of Information* - When a company organises meetings with analysts, the company shall make a press release or post relevant information on its website after every such meet. The company may also consider live webcasting of analyst meets.

7.0 Medium of disclosure/dissemination

(i) Disclosure/dissemination of information may be done through various media so as to achieve maximum reach and quick dissemination.

(ii) Corporate shall ensure that disclosure to stock exchanges is made promptly.

(iii) Corporate may also facilitate disclosure through the use of their dedicated Internet website.

(iv) Company websites may provide a means of giving investors a direct access to analyst briefing material, significant background information and questions and answers.

(v) The information filed by corporate with exchanges under continuous disclosure requirement may be made available on the company website.

8.0 Dissemination by stock exchanges

(i) The disclosures made to stock exchanges may be disseminated by the exchanges to investors in a quick and efficient manner through the stock exchange network as well as through stock exchange websites.

(ii) Stock exchanges should make immediate arrangement for display of the information furnished by the companies instantly on the stock exchange website.