

MEGASOFT LIMITED
WHISTLE BLOWER POLICY
As adopted by the Board of Directors

BACKGROUND

Section 177 of the Companies Act, 2013 required every listed Company and such class or classes of Companies, as may be prescribed, to establish a vigil mechanism for the Directors and employees to report genuine concerns in such manner as may be prescribed.

The Company has a Whistle Blower Policy approved by the Board of Directors and the same was applicable to only employees of the Company. Now, as per the Companies Act, 2013 the vigil mechanism is also to be laid down for the Directors of the Company as well.

POLICY

In compliance with the above requirement, Megasoft Limited ("Company") as a listed Company has to have established a vigil mechanism and formulated policy in order to provide a framework for responsible and secure whistle blowing/ Vigil mechanism.

IMPLEMENTATION OF THE POLICY

A copy of the policy shall be uploaded on the website of the Company. The policy should also be disclosed in the Corporate Governance Report of the Annual Report. The Ombudsperson will ensure that the policy is known to all Directors and employees of the Company. Vigil Mechanism/ Whistle Blower Policy will be subject to review as maybe decided by the Board.

OBJECTIVE

The Vigil (Whistle Blower) Mechanism is to ensure highest ethical, moral and business standards in the course of functioning and to build a lasting and strong culture of Corporate Governance within the Company. Violation of which will result in appropriate Action in terms of law. In terms of Policy, an internal mechanism is established for Directors and other stakeholders to report to the management, concerns about unethical behavior, actual or suspected fraud or violation of Company's code of conduct. The policy is intended to encourage all Directors and employees of the Company to report suspected or actual occurrence of illegal, unethical or inappropriate actions, behaviors or practices by Directors/employees without fear of retribution. The Directors/ employees can voice their concerns on irregularities, malpractices and other misdemeanors through this Policy.

It also provides necessary safeguards and protection to the Directors/employees who disclose the instances of unethical practices/ behavior observed in the Company. The mechanism also provides for direct access to the Chairman of the Audit Committee in exceptional cases.

This Policy should be read in conjunction with the instructions already prevailing in the Company and the instructions under section 177 of the Companies Act, 2013

DEFINITIONS

The definitions of some of the key terms used in this policy are given below :

“Whistle Blower” – The Directors/employees of the Company making the disclosure under this policy. The Whistle Blower’s role is that of a reporting party. Whistleblowers are not investigators or finders of the facts; neither can they determine the appropriate corrective or remedial action that may be warranted.

“Audit Committee” means the committee constituted by the Board of Directors of Megasoft Limited in accordance with section 177 of the Companies Act 2013, which has the responsibility for supervising the development, implementation of and review of this policy.

“Complaint Register” means a register that is maintained by the company in which the particulars of the complaint(s) given by the Whistle Blower will be entered by the Ombudsman only.

“Directors/ Employees” – all Directors and Direct / Deputed Employees of the Company.

“Protected Disclosure” means a written communication, whether by letter/ email/ or over telephone relating to unethical practice or behavior or violation of code of conduct by employees/ Directors made in good faith by the Whistle Blower.

“Reviewing Authority” – means Executive Director and CEO of Megasoft Limited

In case of complaints against MD & CEO, the matter will be put up to the Human Resources (HR) and Reporting Authority of official.

“Reportable Matter” means a genuine concern concerning actual or suspected:

- i. fraudulent practices, such as improperly tampering with Megasoft’s books and records, or theft of company property;
- ii. corruption, including bribery, money laundering, and any other conduct that would violate Megasoft’s policies;
- iii occurrence of illegal, unethical or inappropriate actions, behaviors or practices by Directors/employees without fear of retribution;
- iv. fraud or violation of Company’s Code of Conduct.

Please note that complaints concerning personal grievances, such as professional development issues or Employee compensation, are not Reportable Matters for purposes of this Policy.

“Subject” means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.

“Vigilance Officer/ Ombudsperson” is a person including a full time senior Employee, well respected for his/her integrity, independence and fairness. He/she would be authorized by the Board of the Company for the purpose of receiving all protected disclosures from whistle blowers, maintaining records thereof, placing the same before the Audit Committee for its disposal and informing the Whistle Blower the result thereof.

The name of the Vigilance Officer / Ombudsperson will be circulated to the Directors/ Deputed and Direct employees of the Company.

COVERAGE

All Directors/ employees of the Company are covered under this policy. The policy covers malpractices and events which have taken place/ suspected to have taken place in the Company involving:

- Corruption
- Frauds
- Misuse/ abuse of official position,
- Manipulation of data/ documents,
- Any other act which affects the interest of the Company adversely and has the potential to cause financial or reputational loss to the Company.

REPORTING MECHANISM/ COMPLAINANT (WHISTLEBLOWER)

Any Director/ employee willing to disclose information may do so in any of the following manner:

- I) In writing, duly addressed to the Ombudsperson in a sealed envelope specifically super scribe as "Disclosure under Whistle Blower Scheme".
- II) Suitable proof of his/ her identity/ contact numbers/ address so that additional information, if any, can be obtained. In case identity cannot be ensured, the complaints will be treated as anonymous/ pseudonymous complaints, and may not attract further action.
- III) Complaints can also be sent to the Ombudsperson from the official e-mail ID of the Director/ employee. The contact details/ address of the Director/employee should however be provided. In case of absence/ incorrectness of the same, the complaints will be treated as anonymous/ pseudonymous complaints and may not attract further action.
- IV) Disclosure can also be made to Ombudsperson over Telephone. The Whistle Blower would however, be required to disclose his/her identity and furnish sufficient information for verifying his/her identity by the Ombudsperson. Additional information, as deemed necessary, will be sought by the Ombudsperson receiving the call.
- V) The disclosure whether by letter/email/telephone should provide specific and verifiable information in respect of the "Subject – Corporate office/ Branch/ Director/ Employee.

CONFIDENTIALITY MECHANISM OF WHISTLE BLOWER

The complaints received under Whistle Blower will be opened by the Ombudsperson only. Upon the receipt of the complaint, the Ombudsperson will enter the particulars of the complaint in a Complaint Register and allot a complaint number on the all pages of the complaint. The complaint Register will remain in the custody of the Ombudsperson only.

PROTECTION TO WHISTLE BLOWER

The Company will protect the confidentiality of the complainants and their names/ identity will not be disclosed except as statutorily required under law.

i. No adverse penal action shall be taken or recommended against an employee in retaliation to his/ her disclosure in good faith of any unethical and improper practices or alleged wrongful conduct. It will be ensured that the Whistle Blower is not victimized for making the disclosure.

- ii. In case of victimization in such cases, serious view will be taken including departmental action on such persons victimizing the Whistle Blower.
- iii. Identity of the Whistle Blower will not be disclosed by the Ombudsperson except to the investigators.
- iv. If any person is aggrieved by any action on the ground that he/she is being victimized due to the fact that he had filed a complaint or disclosure, he/ she may file an application before the Reviewing Authority.
- v. To protect the interest of the Whistle Blower for any adverse reporting in Annual Appraisal/ Performance report, he/ she may be given an option to request for a review of his/her Annual Report by the next higher Authority within 3 months of the end of relevant year.

MECHANISM FOR ACTION/ REPORTING ON SUCH DISCLOSURES

- i. The Ombudsperson shall, on receipt of the complaint, arrange to verify the identity of the whistle Blower.
- ii. Proper record will be kept of all disclosures received. The action against each disclosure will be also noted and put up to the Reviewing Authority within 07 days from the receipt of complaint.
- iii. Only on being satisfied that the disclosure has verifiable information, necessary enquiry/ investigation will be done with regard to the complaint with assistance of the Committee at Corporate office. Ombudsperson will also have the authority to seek the assistance / support from other departments. The process will be completed within 30 days of receipt of the complaint.
- iv. Any inquiry/ investigation conducted against any subject shall not be construed by itself as an act of accusation and shall be carried out as a neutral fact finding process, without presumption of any guilt.
- v. The inquiry/ investigation shall be conducted in a fair manner and provide adequate opportunity for hearing to the affected party and a written report of the findings should be prepared for submission.
- vi. A time frame of maximum 30 days will be permitted to complete the investigation / enquiry. In case the same cannot be completed within a stipulated period, an interim report should be submitted by the Investigators giving inter alia, the tentative date of completion.
- vii. In case the disclosure made does not have any specific & verifiable information, the Ombudsperson will be authorized not to take any action. This would be suitably recorded and placed before the Reviewing Authority.
- viii. In case the allegations made in the disclosure are substantiated, appropriate departmental action will be taken against the employee concerned on whose part lapses are observed.
- ix. The action taken against the subject/ Director/ employee as stated in the above paragraph will be in addition to any other action or prosecution which may be initiated against said subject/ Director/ employee under any statute or law in force.

ACCESS TO CHAIRMAN OF THE AUDIT COMMITTEE

The Whistle Blower shall have right to access Chairman of the Audit Committee directly in exceptional cases and the Chairman of the Audit Committee is authorized to prescribe suitable directions in this regard.

DISQUALIFICATIONS

- a. While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.
- b. Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle Blower knowing it to be false or bogus or with a mala fide intention.
- c. Whistle Blowers, who make three or more Protected Disclosures, which have been subsequently found to be mala fide, frivolous, baseless, malicious, or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy. In respect of such Whistle Blowers, the Board of Directors would reserve its right to take/recommend appropriate disciplinary action.

SUGGESTIVE PENAL PROVISION

The Company may take the following punitive actions against the defendant where the Whistle & Ethics Officer finds him/her guilty:

- a. Counselling & issue of a Warning letter;
- b. Bar from performance review exercise which includes withholding of promotion/increments/ performance incentives;
- c. Termination from employment;
- d. Recovery of monetary loss suffered by the Company;
- e. Legal Suit.

RETENTION OF DOCUMENTS

All the Protected Disclosures in writing or documented along with the results thereto, shall be retained by the company as specified by law in force.

AMENDMENT

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the Employees unless the same is notified to the concerned persons in writing.