

FOUR SOFT LIMITED

CODE OF ETHICS FOR DIRECTORS, SENIOR EXECUTIVE AND FINANCIAL OFFICERS

I. Purpose of Code of Ethics

The purpose of this Code of Ethics (“Code”) is: to deter wrongdoing and promote the honest and ethical business conduct of our Directors, Senior Executive and Financial Officers (described below), including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships; to promote full, fair, accurate, timely and understandable disclosure in periodic reports and documents filed with, or submitted to, The Securities and Exchange Board of India (“SEBI”) by Four Soft Limited; to promote compliance with all applicable law, rules and regulations that apply to the Company and its officers; to provide for the prompt internal reporting to an appropriate person of violations of this Code; and to ensure accountability for adherence to this Code. References in this Code to the Company mean Four Soft Limited or any of its direct or indirect subsidiaries. References to Compliance Officer and to the Chief Executive Officer mean the Compliance Officer and the Chief Executive Officer of Four Soft Limited.

II. Introduction

This Code is applicable to the Company’s chief executive officer, chief financial officer, Company Secretary, chief operating officers (including the Vice- Presidents of regional subsidiaries of Company), Compliance Officer, All professionals serving the roles of finance, tax, accounting, purchase, treasury, internal audit and investor relations (or any persons performing similar functions, together, the “Senior Executive and Financial Officers”). Further, this includes all disclosure committee members, all members of the senior management, the members of the audit committee, and members of the board of Four Soft and its subsidiaries.

While we expect honest and ethical conduct in all aspects of our business from all of our employees, we expect the highest possible honest and ethical conduct from our Senior Executive and Financial Officers. As a Senior Executive or Financial Officer, you are an example for other employees and we expect you to foster a culture of transparency, integrity and honesty. Compliance with this Code is a condition to your employment and any violations of the Code may result in disciplinary action, up to and including termination of your employment.

Waivers or amendments, if any, of this Code may be made only by the Board and will be disclosed in accordance with applicable law and stock exchange rules. Officers should sign the acknowledgement form at the last page and return the same signed to HR department indicating that they received, read and understood, and agree to comply with the Code. Annually all officers, will be asked to sign an acknowledgement indicating their continued understanding of the Code. All such waivers and amendments of any provision of this code shall be promptly disclosed in Company’s website and in applicable filings, together with details about nature of amendment or waiver.

III. Conflicts of interest

A conflict of interest occurs when your private interests (financial or other) interfere, or even appear to interfere, in any way, with the interests of the Company as a whole.

Conflicts of interest can also arise when you take actions or have interests, or a member of your family has interests, that may make it difficult for you to perform your duties to the Company objectively and effectively. When a potential conflict of interest arises, it is important that you act with great care to avoid even the appearance that your actions were not in the best interest of the Company.

Conflicts of interest may not always be clear-cut. If you have a question, you should consult with Manager - Legal. If you become aware of an actual, potential or apparent conflict of interest, you should bring it to the attention of the Manager - Legal (or, if it involves the Manager - Legal, the Chief Executive Officer).

Although we cannot list every conceivable conflict, following are some common examples that illustrate actual or apparent conflicts of interest that should be avoided:

A. Improper personal benefits

Conflicts of interest arise when an officer or a member of his or her family receives improper personal benefits from the Company or from other parties as a result of his or her position in the Company. You may not accept any benefits from the Company that have not been duly authorized and approved pursuant to Company policy and procedure, including any Company loans or guarantees of your personal obligations or those of a family member.

Neither you nor any person with whom you have a close personal relationship may accept gifts or anything of value (including entertainment) from a vendor or customer if that gift or other thing of value is, or could reasonably be considered to be, intended to influence your behavior toward that vendor or customer. Absent such circumstances, gifts may be accepted when permitted by applicable law if they are non-cash gifts of nominal value (Rs. 5,000/- or less, individually or in the aggregate) or customary and reasonable meals and entertainment at which the giver is present, such as an occasional business meal or sporting event. Travel or lodging may not be accepted unless previously approved by the Regional Vice-President of Four Soft Subsidiaries; Manager - Legal; the Chief Financial Officer; or the Chief Executive Officer.

If you are offered money or a gift not in conformity with the exceptions noted above, or if either arrives at your office or home, you must report it to your supervisor in writing with a copy to the Manager - Legal (or with respect to the Manager - Legal, the Chief Executive Officer). Please refer to Company's Code of Business Conduct [Gift Policy](#) in this regard.

B. Financial interests in other businesses

You should avoid having an ownership interest in any other enterprise if that interest compromises or appears to compromise your loyalty to the Company. For example, you may not own an interest in a company that competes with the Company or that does business with the Company (such as a supplier) unless you obtain the written approval of the Manager - Legal (or, with respect to the Manager - Legal, written approval of the Chief Executive Officer) before making any such investment. Any such approval would be given only in accordance with policies established by the Board and after review by the Board. However, it is not typically considered, and the Company does not consider it, a conflict of interest (and therefore prior written approval is not required) to make investments in competitors, customers or suppliers that are listed on a national or international securities exchange so long as the total value of the investment is less than one percent of the

outstanding stock of the corporation and the amount of the investment is not so significant that it would affect your business judgment on behalf of the Company.

C. Business arrangements with the company

Without the prior written approval of the Manager - Legal (or, with respect to the Manager - Legal, written approval of the Chief Executive Officer), you may not participate in a joint venture, partnership or other business arrangement with the Company. In general, such business arrangements are disfavored, and any such approval would be given only in accordance with policies established by the Board and after review by the Board.

D. Corporate opportunities

If you learn of a business or investment opportunity through the use of corporate property or information or your position at the Company, such as from a competitor or actual or potential supplier or business associate of the Company (including a principal, officer, director or employee of any of the above), you may not participate in the business or make the investment without the prior written approval of the Manager - Legal (or, with respect to the Manager - Legal, written approval of the Chief Executive Officer). Such an opportunity should be considered an investment opportunity for the Company in the first instance, and any such approval would be given only in accordance with policies established by the Board and after review by the Board.

E. Outside employment or activities with a competitor

Simultaneous employment with or serving as a consultant to or director of a competitor of the Company is strictly prohibited, as is any activity that is intended to or that you should reasonably expect to advance a competitor's interests at the expense of the Company's interests. You may not market products or services in competition with the Company's current or potential business activities. It is your responsibility to consult with the Chief Executive Officer to determine whether a planned activity will compete with any of the Company's business activities before you pursue the activity in question.

F. Outside employment with a customer or supplier

Without the prior written approval of the Manager - Legal (or, with respect to the Manager - Legal, written approval of the Chief Executive Officer), you may not be a supplier or be employed by, serve as a consultant to or director of or represent a customer or supplier to the Company, or anyone else who does, or seeks to do, business with the Company (other than as a retail customer). Without the prior written approval of the Manager - Legal (or, with respect to the Manager - Legal, written approval of the Chief Executive Officer), you may not accept money or benefits of any kind from a third party as compensation or payment for any advice or services that you may provide to a customer, supplier or anyone else in connection with its business with the Company.

G. Family members working in the industry

As a general rule, Officers should avoid conducting Company business with a relative, or with a business in which a relative is associated in any significant role. Relatives include spouse, siblings children, parents, grandparents, grandchildren, aunts, uncles, nieces, nephews, cousins, step relationships, and in-laws or someone else with whom you have a familial relationship is a competitor or supplier of the Company or is employed by one, you

must disclose the situation to the Manager - Legal (or, with respect to the Manager - Legal, to the Chief Executive Officer) so that the Company may assess the nature and extent of any concern and how it can be resolved. You must carefully guard against inadvertently disclosing Company confidential information and being involved in decisions on behalf of the Company that involve the other enterprise.

If you have any doubt as to whether or not conduct or a relationship would be considered an actual or apparent conflict of interest or could be expected to give rise to such a conflict, you should consult with the Manager - Legal.

IV. Accurate periodic reports and other public communications

As you are aware, full, fair, accurate, timely and understandable disclosure in our periodic reports and other documents filed with, or submitted to, the SEBI and in our other public communications is required by SEBI Guidelines and is essential to our continued success. Please exercise the highest standard of care in preparing and reviewing such materials. We have established the following guidelines in order to ensure the quality of our periodic reports and other such documents.

- All Company accounting records, as well as reports produced from those records, must be kept and presented in accordance with the laws of each applicable jurisdiction.
- All records must fairly and accurately reflect the transactions or occurrences to which they relate.
- All records must fairly and accurately reflect in reasonable detail the Company's assets, liabilities, revenues and expenses.
- The Company's accounting records must not contain any false or intentionally misleading entries.
- No transaction may be intentionally misclassified as to accounts, departments or accounting periods or in any other manner.
- All transactions must be supported by accurate documentation in reasonable detail and recorded in the proper account and in the proper accounting period.
- No information may be concealed from the internal auditors or the independent auditors.
- Compliance with Generally Accepted Accounting Principles and the Company's system of internal accounting controls is required at all times.

V. Compliance with Laws and this Code

You are expected to comply with both the letter and spirit of all applicable governmental laws, rules and regulations and this Code, and to promptly report any suspected violations of applicable governmental laws, rules and regulations or this Code to the Manager - Legal, the Chief Executive Officer or the chairperson of the Audit Committee of the Board of Directors. No one will be subject to retaliation because of a good faith report of a suspected violation. If you fail to comply with this Code or any applicable laws, rules or regulations, you may be subject to disciplinary measures, up to and including termination of your employment.

VI. Trading Restrictions

All Directors/Officers/Designated Employees of the Company shall be subject to trading restrictions as enumerated below:

A. Trading Window:

The Company specifies “Valid Trading Window” also called as Trading Period for trading in Company’s securities which means a period other than the Prohibited Period. All Directors, Promoters, Designated employees of the Company shall conduct their dealing in securities of the Company only in a valid trading window period and shall not deal in any transaction involving the purchase or sale or otherwise deal in the company’s securities during the prohibited period i.e. when the Trading Window is closed. Intimation will be given through email as to the closure of Trading Window.

B. Pre-clearance of trades:

All Directors/Officers/Designated Employees dealing in the shares and other securities of the Company are required to obtain pre clearance of all the trades in the shares and other securities of the Company, being done by themselves or their dependant family members in the following situations:

All Directors/Officers/Designated Employees holding more than 50,000 shares and intend to sell above 20,000 shares or 10% of his current holding, whichever is higher should pre-clear the dealings in securities by making an application to the Compliance Officer. The Compliance Officer shall process all the applications within 1 day and unless any objection, it can be taken as deemed approval.

All Directors/Officers/Designated Employees proposing to sell more than 100,000 shares or 50% of his current holding, whichever is higher should pre-clear the dealings in securities by making an application to Board of Directors. The Board shall approve the matter by a circular resolution, and the Compliance Officer shall issue pre-clearance only after the approval of the Board. The time limit to provide this clearance is 3 days, unless any objection which will be conveyed in 2 days for the applicant to respond within the 3 day time limit.

Undertaking:

All Directors/Officers/Designated Employees proposing to sell less than 20,000 shares no pre-clearance is required but an intimation is to be given to the Compliance Officer within 2 working days by way of an undertaking as specified in Annexure - A below.

C. Pre-Dealing Mechanism

All Directors/Officers/Designated Employees required obtaining Pre-clearance of trades in the shares and other securities of the Company shall make an application in writing or by way of e-mail at companysecretary@four-soft.com in Form A enclosed to this code to the Compliance Officer. The Compliance Officer designated for this purpose is the Company Secretary.

D. Other Restrictions

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

E. Disclosure of interest or holding

All Directors/Officers/Designated Employees of the company shall disclose to the company in Form B, the number of shares or voting rights held by such person, within 4 working days of becoming a Director/Officer/Designated Employee of the company. The company shall within five days of receipt shall disclose to all stock exchanges on which the company is listed.

F. Continual Disclosure

All Directors/Officers/Designated Employees of the company shall disclose to the company in Form D, the total number of shares or voting rights held and change in shareholding or voting rights, in there has been a change in such holdings from the last disclosure made if the change exceeds Rs. 5 Lakh in value or 25000 shares or 1% of the total shareholding or voting rights which ever is lower. The company shall within five days of receipt shall disclose to all stock exchanges on which the company is listed.

VII. Scope

This Code supplements, and does not supersede, change or alter, the existing Company policies and procedures already in place, as stated in the Company's Code of Business Conduct & Ethics and communicated to all Company employees and directors.

VIII. No Rights Created

This Code is a statement of certain fundamental principles, policies and procedures that govern the Company's Senior Executive and Financial Officers in the conduct of the Company's business. It is not intended to and does not create any rights in any employee, customer, supplier, competitor, shareholder or any other person or entity.

IX. Acknowledgement Form

I have received and read the Code of Ethics for Senior Executive and Financial Officers, and I understand its contents. I agree to comply fully with the standards contained in the Code of Ethics and the Company's related policies and procedures. I understand that I have an obligation, as described above, to report any suspected violations of the Code of Ethics.

(Revised- 25-03-2010)

Annexure - A

APPLICATION FOR PRE-CLEARANCE OF TRADE
(For Director/Officers/Designated Employee)

Date: _____

The Compliance Officer
Four Soft Limited
5Q1 A3, Cyber Towers,
Hi-tech City
Hyderabad - 500 038

From:
Name:
Designation/Grade:
Employee No:
Demat Account:

With reference to the Code for prohibition of Insider Trading of Four Soft Limited
I seek your approval to sell_____ (nos) equity shares.

Dear Sir/Madam,

Sub. : Application for Pre-Clearance of Trade to be executed

As required by the Code for prohibition of Insider Trading of the Company, I hereby state that

- a) I have no access to nor do I have any information that could be construed as “Price Sensitive Information” as defined in the Code up to the time of signing this undertaking;
- b) In the event that I have access to or received any information that could be construed as “Price Sensitive Information’ as defined in the Code, after the signing of this undertaking but before executing the deal for which approval is sought, I shall inform the Compliance officer of the same and shall completely refrain from Dealing in securities of the Company until such information becomes public;
- c) I have not contravened the provisions of the Code of Conduct for Prohibition of Insider Trading as notified by the Company from time to time.
- d) I have made full and true disclosure in the matter.
- e) If approved, I shall execute the Dealing in Securities of the Company within one week after the approval of Pre-Clearance of Trade is given. If the order is not executed within one week after the approval is given , I undertake to obtain Pre-Clearance of Trade for the Dealing in the Securities again.

Signature

Date:



FORM B

Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992
[(Regulation 13(2) and (6)]

Regulation 13 (2) – Details of shares held or positions taken in derivatives by Director or officer of a Listed company & his dependents

<i>Name, PAN & addresses of the Director/ officer</i>	<i>Date of assuming office of Director/ officer</i>	<i>No. and %age of shares or voting rights held at the time of becoming the Director/ officer</i>	<i>Date of intimation to the company</i>	<i>Mode of acquisition (market purchase/ public/ rights/ preferential offer etc.)</i>	<i>Trading member through whom the trade was executed with SEBI Registration no. of TM</i>	<i>Exchange on which the trade was executed</i>	<i>Buy quantity</i>	<i>Buy value</i>

FORM D

Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992
(Regulation 13 (4) and (6))

Regulation 13(4) – Details of change in shareholding of Director or Officer of a Listed Company

<i>Name, PAN & address of Director/ officer</i>	<i>No. and %age of shares or voting rights acquired</i>	<i>Date of receipt of allotment/ advice. Date of acquisition (specify)</i>	<i>Date of intimation to the company</i>	<i>Mode of acquisition (market purchase/ public/ rights/ preferential offer etc.)</i>	<i>Shareholding subsequent to acquisition</i>	<i>Trading member through whom the trade was executed with SEBI Registration no. of TM</i>	<i>Exchange on which the trade was executed</i>	<i>Buy quantity</i>	<i>Buy value</i>	<i>Sell quantity</i>	<i>Sell value</i>