

**ANNEXURE IV  
CORPORATE GOVERNANCE REPORT**

**A. MANDATORY REQUIREMENTS**
**1. Company's Philosophy on Code of Governance:**

The Company's purpose is business and to maximize long-term shareholder value by selling its goods and services. Therefore, our Corporate Governance processes are directed at ensuring that Company's actions, assets and agents are directed to achieving this purpose while complying with the Code of Governance and the Company's own policies and expectations and covers aspects such as ethical conduct, health, safety and the environment; control and finance; commitment to employees; and relationships.

Company's corporate governance conforms to regulatory and legal requirements, such as the terms of Listing Agreements with Stock Exchanges. In addition, it incorporates several practices aimed at a high level of business ethics, effective supervision and enhancement of value for all stakeholders. The Board lays emphasis on integrity and accountability.

**Key aspects of the Company's Governance Processes are:**

- Clear statements of Board Processes and Board Executive linkage.
- Disclosure, accountability, transparency, adequate systems and procedures to monitor the state of affairs of the Company to enable the Board in effectively discharging its responsibilities to the stakeholders of the Company.
- Identification and management of key risks to delivery of performance of the Company.

**2. Board of Directors:**

The Management of your Company is entrusted to the Managing Director.

Your Board of Directors closely monitors the performance of the Company and its Management, accord approvals and reviews strategies and, determines the remuneration of the management based on its performance. Your Board ensures legal and ethical conduct and high quality financial reporting. It holds itself accountable to the shareholders as well as other stakeholders for the long-term health of the Company.

**(a) Composition & Category of Directors**

Category	Number of Directors	%
Non-Executive and Independent Directors	03	50
Other Non-Executive Directors including the Chairman	NIL	NIL
Executive Director (Managing Director & Whole Time Director)	03	50
Total	06	100.00

As of the year ended 31<sup>st</sup> March, 2018, the Board of Directors had 6 (six) members that includes one-woman director. The Board comprises of 3 (three)-Executive Directors, Mr. Aslam Khan, Chairman and Managing Director, Mr. Sajid Iqbal Abdul Hameed and Mr. Mohammed Siraj Gunwan, Whole Time Directors.

The Non-Executive Independent Directors include Mr. Shariq Nisar, Ms. Usha Mishra and Mr. Krishnan Narayanan.

Accordingly, the numbers of independent directors or numbers of non-executive directors are in agreement with the numbers stipulated by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**(b) Number of Board Meetings held, dates on which held and Attendance of each Director at the Board Meetings and the last Annual General Meeting :**

**(I) Board Meetings held during the Year: 5**

Dates on which Board Meetings were held	Total Strength of Board	No. of Directors Present
29-05-2017	06	3
17.08.2017	06	2
13.11.2017	06	2
08.03.2018	06	4
28.03.2018	06	2

**(II) Attendance of Directors at Board Meeting and Annual General Meeting:**

Name of the person / Date of BM	Mohammed Aslam Khan	Sajid Iqbal Abdul Hameed	Mohammed Siraj Gunwan	Shariq Nisar	Sarika Lidoria (Resigned on 19.03.218)	Krishnan Narayanan	Usha Mishra (Appointed on 29.03.18)
29-05-2017	PRESENT	ABSENT	PRESENT	PRESENT	ABSENT	ABSENT	NA
17.08.2017	PRESENT	ABSENT	PRESENT	ABSENT	ABSENT	ABSENT	NA
13.11.2017	ABSENT	PRESENT	PRESENT	ABSENT	ABSENT	ABSENT	NA
08.03.2018	ABSENT	ABSENT	PRESENT	PRESENT	PRESENT	PRESENT	NA
28.03.2018	ABSENT	ABSENT	PRESENT	PRESENT	ABSENT	ABSENT	NA
<b>Total Board Meeting Attendance</b>	<b>2</b>	<b>1</b>	<b>5</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>NA</b>

**(III) EXTRA ORDINARY GENERAL MEETING ATTENDANCE**

Name of the person / Date of MM	Mohammed Aslam Khan	Sajid Iqbal Abdul Hameed	Mohammed Siraj Gunwan	Shariq Nisar	Sarika Lidoria (Resigned on 19.03.218)	Krishnan Narayanan	Usha Mishra (Appointed on 29.03.18)
21.09.2017	PRESENT	ABSENT	PRESENT	ABSENT	ABSENT	ABSENT	NA
<b>TOTAL EOGM ATTENDANCE</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>NA</b>

**(c) Number of other Boards or Board Committees in which the Director is a Director/Member/Chairperson**

Name of the Director(s)	Number of other Companies in which Director (including Alternate/Nominee Director)	Number of Committees (other than OCTAWARE TECHNOLOGIES LIMITED) in which Chairman / Member	
		Chairman	Member
Mr. Mohammed Aslam Khan	04	NIL	NIL
Mr. Sajid Iqbal Abdul Hameed	01	NIL	NIL
Mr. Mohammed Siraj Gunwan	01	NIL	NIL
Mr. Krishnan Narayanan	03	NIL	NIL

**(d) Directors Profile:**

A brief profile of all the Directors on the Board is given herein below:

**1. Mohammed Aslam Khan, Promoter, Chairman and Managing Director**

Mr. Aslam Khan, aged 43 years, is the Chairman & Managing Director of our Company. He is the promoter of our company. He has completed his Bachelor of Engineering (Electronics) from Mumbai University. Mr. Aslam Khan also studied at Harvard Business School, MIT's Sloan School of Management and Said Business School of Oxford University where he was awarded executive certificates in Strategic Marketing and Finance Programme and has participated in the Advance Management Programme from the prestigious Indian Institute of Management, Kolkata in the year 2011. Mr. Aslam Khan has a rich experience of more than two decade in IT Industry, he has worked for many top MNC's like Microsoft, Citibank NA, Askme.com, TCS. Mr. Aslam Khan has worked around various parts of the globe and has a strong grip on Global IT industry. He

has also established a Charitable Trust and a Hospital as his contribution towards the society.

## **2. Sajid Iqbal Abdul Hameed, Promoter and Whole Time Director**

Mr. Sajid Hameed, aged 44 years, is the Whole Time Director of our Company. He is also the promoter of our Company. He is an Engineering Graduate (Electronics) from Mumbai University and has completed his Master's from Sikkim Manipal University. He has an excellent track record of aggressively building, developing and executing strategic vision for business growth. He uses his diversified range of technology engineering, marketing, sales and management experience to oversee Octaware global business operations. He has more than two decades of experience in this field and has worked with many fortune-500 companies.

## **3. Mohammed Siraj Gunwan, Whole Time Director**

Mr. Siraj Gunwan, aged 46 years, is the Whole-Time Director of our Company. He leads and manages the engineering division of the company. He has an extensive experience in solution design, product development and enterprise delivery across multiple verticals. He is a technology specialist with more than two decade years of experience in Information Technology industry working for leading financial and governmental organisation such as Commercial Bank, GIS Centre for excellence in Qatar and Department of Science & Technology in India. He has completed Bachelor of Engineering in Computer Science from Karnataka University.

## **4. Shariq Nisar, Independent Director**

Dr. Shariq Nisar, aged 43 years, is the Non-Executive Independent Director of our Company. He holds a Ph.D in Economics from Aligarh Muslim University. He has a wide range of Experience in the field of Teaching and Finance. During his professional career he has been involved in several high profile ventures including the launch of India's first Shariah index at the Bombay Stock Exchange (BSE TASI Shariah 50) which received worldwide acclaim. During 2013-14 he was appointed as Sr. Visiting Fellow at Harvard Law School. During the span of his professional career Dr. Shariq Nisar has been appointed at many key positions.

## **5. Usha Mishra, Additional (Independent) Director**

Mrs. Usha Mishra, aged 54 years old, has done MBA along with Graduation in Science and Post-Graduation in PR & Journalism. She has pioneered the concept of equal rights of handicapped and underprivileged women. In her last 30 years of social work and service to humanity she has brought modern technology and concepts at workplace for women and handicapped people. Her unique experiment of creating an inclusive workplace has won accolades both in the government and the private sector. Her work has been a beacon of hope for the most under represented community in the Indian society. The Govt of Haryana awarded her due recognition on the Republic Day 2018 as "The Best NGO to Implement Govt Practices". She is also an external member in the IICA ICC committee.

**6. Krishnan Narayanan, Independent Director**

Mr. Krishnan Narayanan, aged 50 years, is the Non-Executive Independent Director of our Company. He has obtained a Bachelor's Degree in Mechanical Engineering from the Annamalai University in the year 1988 and a Post-Graduation Diploma in Business Administration from the Annamalai University in the year 1989. He has 25 years of technology leadership experience in financial services across various Asia Pacific markets including Japan, Korea, Hong Kong, Malaysia and Singapore and has worked as Managing Director of UBS, Director in Prudential Corporation Asia, and as a Vice President at Citibank. He has rich experience in all aspects of the Information Technology life cycle with exposure to business domains of retail and commercial banking, investment banking, insurance, asset and wealth management.

**Committees of the board**

As on 31st March, 2018, the Company had three committees of the Board of Directors - Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee.

**1. Audit Committee****(a) Terms of Reference:**

The terms of reference of this Committee include matters mandated in the Listing Agreement and the Companies Act, 2013, respectively. The Audit Committee reviews the audit reports submitted by the Auditors and to meet them to discuss their findings, suggestions and other related matters, financial results, effectiveness of internal audit processes, Company's risk management strategy and Company's established systems and procedures. The Audit Committee also reviews the functioning of the Whistle Blower mechanism. Besides having access to all the required information from within the Company, the Committee may obtain external professionals advice, whenever required. The Committee acts as a link between the Statutory and the Internal Auditors and the Board of Directors of the Company.

**(b) The Composition of Audit Committee as at 31.03.2018 and details of the Members participation at the Meetings of the Committee are as under:**

On 7<sup>th</sup> December, 2015, the Audit Committee was constituted comprising of 2 Non-Executive and Independent Directors viz. Mr. Shariq Nisar and Ms. Sarika Lidoria and 1 Executive Director, Mr. Mohammed Aslam Khan. Mr. Shariq Nisar is a Chairman of the Audit Committee. However, one of the member Ms. Sarika Lidoria (Independent Director) resigned from company on 19<sup>th</sup> March, 2018 and Ms. Usha Mishra (Independent Director) was appointed on 29<sup>th</sup> March, 2018. All the members of Audit Committee have financial and accounting knowledge.

**(c) Attendance:**

Name	Designation	No. of meetings held during the year	No. of meetings attended
<b>Shariq Nisar</b>	<b>Chairman</b>	4	4
<b>Sarika Lidoria</b>	<b>Member</b>	4	4
<b>Mohammed Aslam Khan</b>	<b>Member</b>	4	1

**Details of establishment of vigil mechanism for directors and employees**

The Company has a Whistle Blower Policy. However, no personnel are being denied any access to the Audit Committee. Pursuant to the provisions of Section 177 (9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, every listed company, Companies which accept deposits from the public and Companies which have borrowed money from banks and Public Financial Institutions in excess of fifty crores rupees shall establish a vigil mechanism for their directors and employees to report their genuine concerns or grievances.

**2. Nomination and Remuneration Committee**
**(a) Terms of Reference**

This Committee shall identify the persons, who are qualified to become Directors of the Company / who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and also shall carry out evaluation of every director's performance. Committee shall also formulate the criteria for determining qualifications, positive attributes, independent of the Directors and recommend to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

**(b) The Composition of the Nomination and Remuneration Committee as at 31.03.2018 and details of the Members participation at the Meetings of the Committee are as under:**

On 7<sup>th</sup> December, 2015, the Nomination and Remuneration Committee was constituted comprising of 3 Non-Executive and Independent Directors viz. Mr. Shariq Nisar, Ms. Sarika Lidoria and Mr. Krishnan Narayanan. However, one of the member Ms. Sarika Lidoria (Independent Director) resigned from company on 19<sup>th</sup> March, 2018 and Ms. Usha Mishra (Independent Director) was appointed on 29<sup>th</sup> March, 2018.

**(c) Attendance:**

Name	Designation	No. of meetings held during the year	No. of meetings attended
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<b>Sarika Lidoria</b>	<b>Chairman</b>	<b>1</b>	<b>0</b>
<b>Shariq Nisar</b>	<b>Member</b>	<b>1</b>	<b>1</b>
<b>Krishnan Narayanan</b>	<b>Member</b>	<b>1</b>	<b>1</b>

### **Remuneration Policy**

#### **Sitting Fees:**

The Company pays sitting fees for attending the meeting of the Board of Directors and for attending the meeting of the Committee of Directors to Non-Executive Director(s).

#### **Managing and Executive Directors:**

The Company pays remuneration to its Managing Director and Whole Time Directors by way of salary, allowances and perquisites as per the Company's rules. The salary and other perquisites are approved by the Board of Directors on recommendation of the Nomination and Remuneration Committee and the salary is paid within the overall limits approved by the members of the Company.

The Remuneration paid to the Directors is as per the Extracts of the Annual Return as mentioned in the Form MGT-9 in the report. No sitting fee is paid to Executive Directors.

### **3. Stakeholder's Relationship Committee:**

Our Company has constituted a *Stakeholders Relationship Committee* to redress complaints of the shareholders. The Committee was constituted vide resolution passed at the meeting of the Board of Directors held on December 7<sup>th</sup>, 2015.

#### **(a) Terms of Reference:**

The Committee focuses primarily on monitoring expeditious redressal of investors / stakeholder's grievances.

#### **(b) The Composition of the Stakeholder's Relationship Committee as at 31.03.2018 and details of the Members participation at the Meetings of the Committee are as under:**

The Stakeholder's Relationship Committee comprises the following Directors:

<b>Name of the Director</b>	<b>Status</b>	<b>Nature of Directorship</b>
Mr.Krishnan Narayanan	Chairman	Independent Director
Mr. Shariq Nisar	Member	Independent Director
Mr.Mohammed Siraj Gunwan	Member	Whole Time Director

**(c) Attendance:**

Name	Designation	No. of meetings held during the year	No. of meetings attended
<b>Krishnan Narayanan</b>	<b>Chairman</b>	2	0
<b>Shariq Nisar</b>	<b>Member</b>	2	2
<b>Mohammed Siraj Gunwan</b>	<b>Member</b>	2	2

**General Body Meetings:**

Location and time for the last three AGMs:

Year	Date	Venue	Time	Special Resolution(s)
2014-15	30/09/15	Registered Office	12.30 p.m.	Not Applicable
2015-16	30/09/16	Registered Office	11:00 a.m.	Not Applicable
2016-17	21/09/17	Unit 003, Tower II, Seepz++ Bldg, Seepz Sez, Andheri East, Mumbai-400096	10:00 a.m.	Not Applicable

No Postal Ballot was conducted during the year.

**Disclosure :**
**(i) Related party Transactions**

**The Company does not have any related party transactions, which may have potential conflict with its interest at large.**

None of the transactions with any of the related parties were in conflict with the interests of the Company. However, the related party disclosures about list of related parties and transactions given under Note 26 of Notes to financial statements for the year ended 31st March, 2018 may be referred. All related party transactions are in the ordinary course of business and are at arm's length.

**(ii) Cases of Non-Compliance:**

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets during the last three years.



**(iii) Whistle Blower Policy / Vigil Mechanism:**

The Company has designed Whistle Blower Policy / Vigil Mechanism to enable any person dealing with the Company to raise the alarm to the Audit Committee of the Company if he has reliable information about a malpractice, unethical practice, impropriety, abuse or financial wrongdoing. The disclosure will be thoroughly investigated by the Committee. The members of the Committee may seek information from any sources inside and outside the organization to investigate this, as deemed fit.

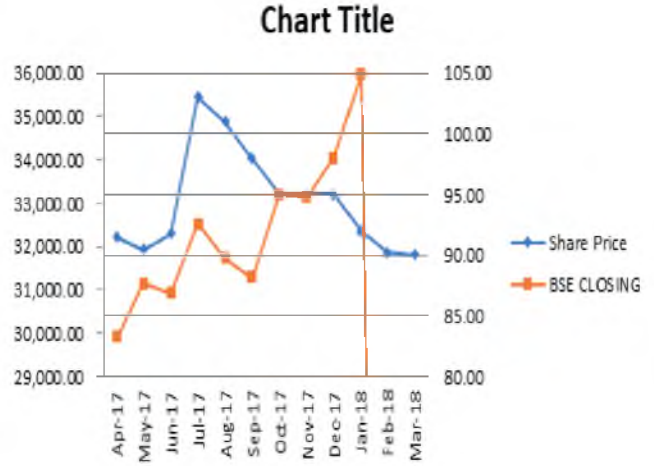
**Means of Communication**

(a)	Half – yearly report sent to each household of shareholders	:	Yes
(b)	Quarterly results Newspapers in which results are normally published in	:	Not Applicable to our Company as the company is SME Listed.
	Any website, where displayed	:	www.octaware.com
	Whether it also displays official news releases	:	Yes
	The presentations made to institutional investors or to the analysts	:	NIL

SEBI has initiated SCORES for processing the investor complaints in a centralized web-based redress system and online redressal of all the shareholders complaints. The Company is in compliance with the SCORES.

**1. General Shareholder information**

(a)	13 <sup>th</sup> AGM Date, Time and Venue	:	Thursday, 27 <sup>th</sup> September, 2018 at 10 a.m. at Unit 003, Tower II, Seepz++ Bldg, Seepz Sez, Andheri East, Mumbai-400096			
(b)	Financial calendar	:	i.	April 2018 to March 2019		
			ii.	Half yearly Results 2018 - on or before 15 <sup>th</sup> November, 2018		
			iii.	Audited Results for the Fourth Quarter/ Year ending 31 <sup>st</sup> March 2019, - on or before 31 <sup>st</sup> May, 2019.		
(c)	Date of Book closure	:	17/09/2018 to 27/09/2018 (both days inclusive)			
(d)	Dividend Payment date	:	On or after 27/09/2018, if declared at Annual General Meeting on 27/09/2018			
(e)	Listing on Stock Exchange.	:	The Company has paid Listing Fees for the period 1 <sup>st</sup> April, 2018 to 31 <sup>st</sup> March 2019 to BSE Limited.			
(f)	(i) Stock Code – Physical	:	540416			
	(ii) Demat ISIN Number for NSDL & CDSL	:	INE208U01019			
(g)	Market price Date : High, Low during each month in last Financial year	:	Month	High Price	Low Price	Close Price
			Apr-17	93	90.05	91.5
			May-17	91.95	90.05	90.5
			Jun-17	91	90.05	90.75
			Jul-17	103	90.5	103
			Aug-17	108	99.05	101
			Sep-17	100	98	98
			Oct-17	96	95	95
			Nov-17	98.85	94	95
			Dec-17	100.9	95	95
			Jan-18	96	92	92
			Feb-18	92	90	90.25
			Mar-18	90.05	79	90.05

(h)	Stock Performance in comparison to Broad-based indices BSE Sensex.	
(i)	Registrar and Transfer Agents	<b>CAMEO CORPORATE SERVICES LIMITED</b> Subramanian Building, No. 1 Club House Road, Chennai – 600 002. E-mail id: investor@cameoindia.com
(j)	Share Transfer System	All the transfer and transmission requests are processed on fortnightly basis by Cameo Corporate Services Limited, being the Registrar & Transfer Agent (RTA). To facilitate prompt services, the RTA is also authorized to approve the transfers and dispatch the share certificates within stipulated time frame, if any.
(k)	Dematerialization of Shares and liquidity	92.509% of the paid-up capital has been dematerialized as on 31 <sup>st</sup> March, 2018.
(l)	Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity.	The company has not issued any GDRs / ADRs / Warrants or any convertible instruments
(m)	Commodity price risk or foreign exchange risk and hedging activities	N.A
(n)	Plant Locations	NA
(o)	Address for correspondence	Shareholders correspondence should be addressed to either at Registered Office of the Company or at the address of RTA M/s. Cameo Corporate Services Limited given as above.

		i i	Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participant.
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**DISTRIBUTION OF HOLDINGS AS ON 31.03.2018**

Shareholding		Shareholders		Share Amount	
Rs	Rs	Number	% of Total	Rs	% of total
10	5000	0	0.0000	0	0.0000
5001	10000	1	0.6250	100000	0.0278
10001	20000	100	62.5000	16,02,000	4.4616
20001	30000	2	1.2500	47460	0.1321
30001	40000	11	6.8750	357450	0.9955
40001	50000	9	5.6250	4,63,000	1.2142
50001	10000	10	6.2500	7,95,050	2.2142
100001	And Above	27	16.8750	3,26,57,740	90.9541
<b>Total</b>		<b>160</b>	<b>100</b>	<b>35905700</b>	<b>100</b>

**SHAREHOLDING PATTERN AS ON 31.03.2018**

Category	No. of shares held	% of issued paid up capital
Promoters	17,30,024	48.18 %
Public	18,60,546	51.82%
<b>Total</b>	<b>35,90,570</b>	<b>100%</b>

**SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS AS ON 31.03.2018**

Sr. No	Name of shareholders	No. of Equity Shares	% holding
1.	Mohammed Aslam Khan	10,84,742	30.2108
2.	Sajid Iqbal Abdul Hameed	6,45,282	17.9715
3.	Mohammed Siraj Moinuddin Gunwan	2,63,857	7.3486
4.	Shahnawaz Aijazuddin Shaikh	2,03,348	5.6633
5.	Sajankumar Rameshwarlal Bajaj	1,79,200	4.9908
6.	Shri Ravindra Media Ventures	1,48,800	4.1441

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<b>7.</b>	<b>Aryaman Capital Markets Limited</b>	<b>1,42,400</b>	<b>3.9659</b>
<b>8.</b>	<b>Mirza Haroon Ibrahim Baig</b>	<b>1,33,571</b>	<b>3.7200</b>
<b>9.</b>	<b>Hadicon Ventures Private Limited</b>	<b>1,04,000</b>	<b>2.8964</b>
<b>10.</b>	<b>Sultan Abdul Kader</b>	<b>51,300</b>	<b>1.4287</b>

6. The Company has adopted and been complying with the discretionary requirements as per Regulation 27(1) and Part E of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

7. Familiarisation programme for independent Directors: The Chairman and secretary of the Company used to familiarize the independent Directors of the Company, their roles, rights, responsibilities, nature of industry, compliance procedures & checkpoints etc., from time to time.

**Declaration / Certification:****a. Code of Conduct:**

The Board has laid down a Code of Conduct applicable to all the Directors and senior management of the Company. Necessary certification to this effect is appended to this Corporate Governance Report.

**b. Managing Director & CFO Certification:**

As per requirements of Corporate Governance Code, Mr. Mohammed Aslam Khan, Managing Director and Mr. Sajid Iqbal Abdul Hameed, Chief Financial Officer have jointly furnished the necessary Certificate to the Board of Directors with respect to financial statements and cash flow statements for the year ended 31<sup>st</sup> March, 2018.

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**Declaration by Managing Director on Code of Conduct**

I, Mohammed Aslam Khan, Managing Director of Octaware Technologies Limited, do hereby declare that a formal code of Conduct has been laid down by the Board of Directors of Octaware Technologies Limited, which has been applicable to all the Directors and senior management of the Company. The code of Conduct has been affirmed to by all the Directors and senior management of the Company.

**Place: Mumbai**  
**Date: 03.09.2018**

**Sd/-**  
**MOHAMMED ASLAM KHAN**  
**MANAGING DIRECTOR**  
**DIN: 00016438**