

**ANNEXURE TO THE BOARD'S REPORT
REPORT ON CORPORATE GOVERNANCE
MANDATORY REQUIREMENTS**

1. A BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

As reported in the last Annual Report, your Company has implemented and complied with the Corporate Governance Code recommended by the Securities and Exchange Board of India (SEBI). Your Company shall always be managed with the principles of Good Corporate Governance with a view to enhance overall Shareholder value and to run the business effectively to achieve its corporate objectives.

2. BOARD OF DIRECTORS

- a. The Company currently has 4 (Four) Directors, including 2 (two) non-executive and Independent Directors.

After due circulation of agenda and notes thereon, the Board of Directors have met at reasonable periods of intervals to transact business on various Board's functions, responsibilities and accountabilities. Compliances of various Laws and Regulations along with the Corporate Philosophy, goal, plans and strategies have been dealt at length by the Board at its various proceedings.

The details of the Directors' attendance at the Meetings of the Board of your Company during the financial year end 31st March, 2019 are given below:

Sl. No.	Name Messrs	DIN	Category	Designation	No. of Board Meetings Held	No. of Board Meetings Attended	Attended Last AGM
1.	Vinay L Deshpande	00225502	Executive Director (Promoter Group)	Director	4	4	Yes
2.	Chhanda Deshpande	00225546	Executive Director (Promoter Group)	Director	4	3	Yes
3.	S P Satish	00897276	Non-Executive & Independent Director	Director	4	4	Yes
4.	U Divakaran	01678151	Non-Executive & Independent Director	Director	4	4	No

The Independent Directors have submitted declarations that they meet the criteria of independence as per the provisions of the Companies Act, 2013 and the Listing Regulations; a statement in this regard forms part of the Board's Report. Further, the Independent Directors have confirmed that they do not hold directorships in more than seven listed companies.

The Board of Directors confirms that all the Independent Directors of the Company fulfill the conditions specified under SEBI (LODR) Regulations, 2015 and are Independent of the Management of the Company.

Declaration under Schedule V, Part C, Clause 10(i) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018:

All the Directors have confirmed that they are neither debarred nor disqualified from being appointed or continuing as Director by Securities and Exchange Board of India / The Ministry of Corporate Affairs or any such statutory authority. The Company has obtained a Certificate to this effect from Mr. Vijayakrishna KT, Practising Company Secretary, Bangalore as mandated under Schedule V, Part C, Clause 10(i) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.

The details of nature of Directorships, relationship inter-se, number of Directorships and Committee Chairmanships/ Memberships held by them in other Public Companies are detailed below. Directorships of Private Limited Companies, Foreign Companies, Companies incorporated under Section 8 of the Companies Act, 2013 and alternate Directorships have been excluded. For the purpose of considering the limit of Committee Memberships and Chairmanships of a

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Director, Audit Committee and Stakeholders' Relationship Committee of Public Limited Companies have been considered.

None of the Directors is a Director in more than Eight (8) Listed Companies or Ten (10) Public Limited Companies or acts as an Independent Director in more than Seven (7) Listed Companies. Further, none of the Directors of the Company hold memberships in more than 10 (Ten) Committees or act as Chairman of more than 5 (Five) committees across all Companies in which he/she is a Director.

Name of the Director	Nature of Directorship	Relationship with each other	Directorship in other Companies as on 31/03/2019	Committee Memberships in other Companies as on 31/03/2019
Vinay L Deshpande	Executive Non-Independent Director	Husband of Chhanda Deshpande	2	NIL
Chhanda Deshpande	Executive Non-Independent Director	Wife of Vinay L Deshpande	NIL	NIL
Sibi Prahalada Satish	Non-Executive, Non-Independent Director	NIL	1	2
Unnikot Divakaran	Non-Executive, Non-Independent Director	NIL	NIL	NIL

CORE SKILLS/EXPERTISE/COMPETENCIES IDENTIFIED BY THE BOARD OF DIRECTORS AS REQUIRED IN THE CONTEXT OF ITS BUSINESS(ES) AND SECTOR(S) FOR IT TO FUNCTION EFFECTIVELY

The Board has identified below mentioned expertise which the Directors of the Company required in the context of the business:

1. Expertise in the field of technology;
2. Expertise in general corporate management;
3. Expertise in the field of marketing; and
4. Expertise in the field of finance, taxation, accounts and strategy.

b. DETAILS OF BOARD MEETINGS HELD DURING THE YEAR

The Meetings of the Board are held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings.

The Board of Directors duly met 4 (Four) times during the year ended 31st March, 2019 on the following dates: 25th May, 2018; 13th August, 2018; 13th November, 2018 and 14th February, 2019.

None of the Non-executive Directors has any material pecuniary relationship or transactions with the Company.

3. AUDIT COMMITTEE

The Audit Committee is responsible for overview of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible; recommending the appointment and removal of the statutory and internal auditors, fixation of audit fees, the approval of payment for any other services and reviewing with the management the annual financial statements before submission to the Board.

The Committee also meets the Management team and reviews the operations, new initiatives and performance of the business units. The minutes of the Audit Committee are circulated to the Board, discussed and taken note of.

The Audit Committee is comprised of the following Directors:

1. Mr. U Divakaran Chairman
2. Mr. S P Satish Member
3. Mr. Vinay L Deshpande Member

The Audit Committee met 4 (Four) times during the year ended 31st March, 2019 on the following dates: 25th May, 2018; 13th August, 2018; 13th November, 2018 and 14th February, 2019.

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The details of attendance of the Meetings of the Audit Committee are as follows:

Sl. No.	Name Messrs	No. of Meetings attended during the year
1.	U Divakaran	4
2.	S P Satish	4
3.	Vinay L Deshpande	4

The Audit Committee reviewed the financial results, accounting and financial controls as well as policies and practices as also internal control and internal audit systems.

4. NOMINATION AND REMUNERATION COMMITTEE

The functions of Remuneration Committee are as follows:

- * Formulation of criteria for persons to become Director and to be appointed in the position of senior management including KMPs and recommending to the Board for their appointments and removal.
- * Continuous review and evaluation of the performance of the Board members.
- * Broadly oversee the Administrative and Executive compensation programme.
- * Any other functions as may be mandated by the Board or any Statutes or enactment.

Remuneration of employees largely consists of base remuneration, perquisites and performance incentives.

The Nomination and Remuneration Committee consists of the following Directors:

1. Mr. U Divakaran Chairman
2. Mr. S P Satish Member
3. Mr. Vinay L Deshpande Member

The Committee met 1 (One) time during the year on 13th November, 2018.

Sl. No.	Name Messrs	No. of Meetings attended during the year
1.	S P Satish	1
2.	U Divakaran	1
3.	Vinay L Deshpande	1

Details of Remuneration of all Directors:

Sl. No.	Name Messrs	Designation	Salary (in Rs)	Sitting Fee*
1.	Vinay L Deshpande	Director	NIL	NIL
2.	Chhanda Deshpande	Director	NIL	NIL
3.	U Divakaran	Director	NIL	NIL
4.	S P Satish	Director	NIL	NIL

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The functions of Stakeholders' Relationship Committee are as follows:

- To look into the shareholders complaints, if any and to redress the same expeditiously.
- To approve the request for issue of duplicate share certificates and issue of certificates after split/consolidation.

The Stakeholders' Relationship Committee consists of the following:

1. Mr. Vinay L Deshpande Chairman
2. Mr. U Divakaran Member
3. Mr. S P Satish Member

The Sub-Committee duly appointed by the aforesaid Committee met continuously to address the various issues relating to the investors, including non-receipt of Annual Reports, Dividend related issues, Change of addresses, transfers of shares, dematerialization and other related aspects. The Company has also continuously requisitioned the services of an independent Practising Company Secretary to review the procedures followed by the RTA. No major grievance of any investor was pending as on 31st March, 2019. No Meeting of the Committee was held during the Financial Year.

6. INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met on 14th February, 2019, *inter alia*, to discuss:

- Evaluation of the performance of the Non-Independent Directors and the Board as a whole,
- Evaluation of the performance of the Chairman of the Company taking into account the views of the Executive and Non-Executive Directors,
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors viz., Mr. U Divakaran, and Mr. S P Satish were present at the Meeting.

7. CRITERIA FOR MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS

The Company has laid down the criteria for making payments to the Non-Executive Directors.

8. PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Compliance Committees.

9. COMPLIANCE OFFICER AND ADDRESS FOR CORRESPONDENCE

Mrs. Chhanda Deshpande

Encore Software Limited

Premises No. 407, 1st Floor, 7th Cross Road, Domlur I Stage, Bengaluru 560071

Tel: +91-80-41110347 Email: investor@ncoretech.com Website: www.ncoretech.com

10. DETAILS OF ANNUAL GENERAL MEETING (AGM)

Year	Date	Time	Location
2015-2016	29 th September, 2016	4:00 PM	Bharatiya Vidya Bhavan, Race Course Road, Bengaluru 560001
2016-2017	27 th September, 2017	4:00 PM	Bharatiya Vidya Bhavan, Race Course Road, Bengaluru 560001
2017-2018	20 th December, 2018	4:00 PM	Bharatiya Vidya Bhavan, Race Course Road, Bengaluru 560001

Particulars of Special Resolution passed in the last three AGMs are given below:

29 th September, 2016	Nil
27 th September, 2017	Nil
20 th December, 2018	Nil

11. MEANS OF COMMUNICATION

The Company's financial results and shareholding pattern are displayed in the Company's website. The Company does not make any representations to the Institutional investors or to the Analysts.

12. DISCLOSURES

SUBSIDIARY COMPANIES

The Company has following Subsidiaries:

- a) Ncore USA, Inc.

The financials of the subsidiary Companies have been duly reviewed by the Audit Committee and the Board of the Holding Company. The Board Minutes of the Unlisted Subsidiary Companies have been placed before the Board of the Holding Company. The Holding Company's Board is also periodically informed about all significant transactions and arrangements entered into by the Subsidiary Companies.

RELATED PARTY TRANSACTION

Transactions with the related parties are disclosed in Note No. 18 of Notes to Accounts in the Annual Report.

The Company has formulated a policy on materiality of related party transactions and also on dealing with Related Party Transactions.

CODE OF CONDUCT

The Company has adopted a Code of Conduct which has been implemented. The Code of Conduct is made applicable to the Directors and Senior Management Team.

CEO AND CFO CERTIFICATION

The Director of the Company have certified to the Board of Directors, *inter alia*, the accuracy of financial statements and adequacy of Internal Controls for the financial reporting purpose as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended 31st March, 2019. As of now, the Company does not have a CEO and CFO, which is why Mr. Vinay L Deshpande, Director, has signed the certificates. This non-compliance will be corrected in the near future.

COMPLIANCES

There have been no instances of non-compliance by the Company on any matters related to the capital markets. However, the Company's shares were suspended from trading on BSE Limited vide order L/DOSS/PK/INV/COM/531750/1 dated 21st August, 2015 passed by Managing Director and Chief Executive Officer of BSE Limited with effect from 26th August, 2015.

13. GENERAL SHAREHOLDERS' INFORMATION

The following information would be useful to the Shareholders:

- 1) Annual General Meeting Date and Time: 30th September, 2019 at 4:00 p.m.
- 2) Financial Year: 1st April, 2018 to 31st March, 2019
- 3) Book Closure Date: 30th September, 2019
- 4) Listing on Stock Exchange at: BSE Limited (BSE)
- 5) **Depositories:** National Securities Depository Limited
Central Depository Services Limited, Scrip Code: BSE-531750 ISIN: INE103B01012
- 6) **Registrars & Share Transfer Agents:** Integrated Registry Management Services Private Limited
30 Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bengaluru 500081
Phone 080-23460815/818 Fax 080-23460819 Email irg@integratedindia.in
- 7) **Stock Market Data**
BSE Limited (BSE)
For the Period: April, 2018 to March, 2019

All Prices in ₹				
Month	Open	High	Low	Close
April 2018	Trading Suspended			
May 2018				
June 2018				
July 2018				
August 2018				
September 2018				
October 2018				
November 2018				
December 2018				
January 2019				
February 2019				
March 2019				

- 8) **Share Transfer System:** The Company in consultation with the RTA ensures that the transfers of shares in physical form and dematerialization take place well within the time limits.

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9) Distribution of Shareholding as at 31st March, 2019

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
0 – 5000	2,354	70.33	4,51,327	45,13,270	6.97
5001 – 10000	416	12.43	3,61,243	36,12,430	5.58
10001 – 20000	217	6.48	3,43,740	34,37,400	5.31
20001 – 30000	90	2.69	2,30,855	23,08,550	3.57
30001 – 40000	41	1.22	1,49,545	14,95,450	2.31
40001 – 50000	52	1.55	2,53,812	25,38,120	3.92
50001 – 100000	78	2.33	5,82,380	58,23,800	9.00
100001 & Above	99	2.96	40,98,598	409,85,980	63.33
TOTAL	3,347	100.00	64,71,500	647,15,000	100.00

*Since information could not be downloaded due to non-payment of Annual Custody Fee to National Securities Depository Limited (NSDL), the details given above are as at 31st March, 2015.

10) Categories of Shareholding as at 31st March, 2019

Category	No. of Shares held	% of holding
Promoters Holding		
i. Indian Promoters	72,411	1.12
ii. Foreign Promoters	—	—
Sub Total	72,411	1.12
Non-Promoters Holding		
i. Mutual Fund and UTI	—	—
ii. Banks, Financial Institutions and Insurance companies	—	—
iii. FII	80,000	1.24
iv. Bodies Corporate	11,31,339	17.48
v. Indian Public	45,83,682	70.83
vi. NRIs/OCBs	4,09,212	6.32
vii. Foreign Collaborators	—	—
viii. Others - Clearing Members	1,94,856	3.01
Sub Total	63,99,089	98.88
Grand Total	64,71,500	100.00

*Since information could not be downloaded due to non-payment of Annual Custody Fee to National Securities Depository Limited (NSDL), the details given above are as at 31st March, 2015.

11) Dematerialization of Shares and Liquidity as at 31st March, 2019

Control Report as on 31st March, 2019

Description	No. of Holders	Shares	% To Equity
PHYSICAL	106	66,540	1.03
NSDL	2,246	43,14,599	66.67
CDSL	995	20,90,361	32.30
Total	3,347	64,71,500	100.00

Comparative Report as on 31st March, 2019

Description	No. of Holders	Shares	% To Equity
PHYSICAL	106	66,540	1.03
ELECTRONIC FORM	3,241	64,04,960	98.97
Total	3,347	64,71,500	100.00

* Since information could not be downloaded due to non-payment of Annual Custody Fee to National Securities Depository Limited (NSDL), the details given above are as at 31st March, 2015.

12) Number of days taken for dematerialization: 15 Days from the date of Physical documents received.

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13) Dematerialization request from 1st April, 2018 to 31st March, 2019

Sl. No.	Depositories	No. of Cases	No. of Shares	% of Shares
1.	NSDL	NIL	NIL	NIL
2.	CDSL	NIL	NIL	NIL

14) **Postal Ballot**

No Resolution was passed during the year attracting Postal Ballot and no resolution attracting Postal Ballot is recommended at this Meeting.

15) **Report on Corporate Governance**

This report together with the information given in Directors Report constitutes a detailed compliance report on Corporate Governance during the current year.

PLANT LOCATIONS

The Company work location is at the premises of the Registered Office at Bengaluru.

ADDRESS FOR CORRESPONDENCE

Encore Software Limited

Premises No. 407, 1st Floor, 7th Cross Road, Domlur I Stage, Bengaluru 560071

Tel: +91-80-41110347 Email: investor@ncoretech.com Website: www.ncoretech.com

For and on behalf of the Board
For Encore Software Limited

Place: Bengaluru
Date: 31st May, 2019

Vinay L Deshpande
Director
DIN 00225502

Chhanda Deshpande
Director
DIN 00225546



I confirm that:

- I have reviewed the financial statements including the cash flow statement for the year ended 31st March, 2019 and certify to the best of my knowledge and belief that:
 - the statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - the statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- To the best of my knowledge and belief, no transactions entered into, by the Company during the year ended were fraudulent, illegal or against to the Company's Code of Conduct.
- I accept responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of the internal control systems of the Company and I have disclosed to the Auditors and to the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which I was aware and the steps I had taken or propose to take to rectify those deficiencies.
- There has not been any significant change in internal control during the year;
 - There has not been any significant change in Accounting Policies during the year requiring disclosure in the notes to the financial statements; and
 - I am not aware of any instances during the year of significant fraud with involvement therein, of the Management or any employee having a significant role in the Company's internal control system over financial reporting.

Place: Bengaluru
Date: 31st May, 2019

Vinay L Deshpande
Director
DIN 00225502