

ANNEXURE I

CORPORATE GOVERNANCE REPORT 2017-18

(Annexure to Directors' Report)

The Corporate Philosophy, as enshrined in its mission statement of "Exploring for a Better Tomorrow" is to optimize and increase the value to all stakeholders, creditors, employees and the society at large through adherence to corporate values, codes of conduct and other standards of behaviour. The Company seeks to ensure professionalism and proper transparency and disclosures in all its dealings. The Board believes in conforming to, and exceeding wherever possible, the prevalent mandatory guidelines on Corporate Governance.

Board of Directors:

The composition of the Board is as follows:

Promoter Group:

Asif Khader
 Mukkaram Jan - resigned as of 30th May, 2018
 Mueed Khader

Non- Executive Directors:

Richard Gall
 Dr. Peter Ryser
 Smt. Akthar Begum

Details of Board Meetings held during the year:

The Board met 4 times during the year, as follows:

During the quarter ended 30 th June, 2017	30th May, 2017
During the quarter ended 30 th September, 2017	14th September, 2017
During the quarter ended 31 st December, 2017	21st December, 2017
During the quarter ended 31 st March, 2018	14th February, 2018

Details of attendance at Board Meetings, last AGM and details of memberships in other Boards and Board Committees:

The Board, being represented by members from various parts of the world, it may not be possible for all to be physically present at all Board Meetings; such Directors who are unable to be present invariably participate in the proceedings through telephonic and video conference calls.

Name of the Director	Date of Appointment	No. of Board Meetings attended ³	Whether attended last AGM	Member-ship in other Board ⁴	Committees ³	
					Member ship	Chairman Ship
Asif Khader	30th April, 2002	4	Y	15	3	-
Mukkaram Jan	30th April, 2002	0	N	16	-	-
Mueed Khader	30th April, 2002	4	Y	9	2	1
Richard Gall	16th May, 2002	4	Y	1	3	2
Dr. Peter Ryser	29th March, 2005	4	N	-	2	-
Smt. Akthar Begum	29th September, 2016	4	N	-	2	1

¹ Due to IND-AS reporting, one month extension for these 2 quarters was permitted.

² Due to IND-AS reporting, one month extension for these 2 quarters was permitted.

³ Attendance via web presentation and Telephone call has been considered as having attended the Board Meeting.

⁴ Excludes any Foreign Companies.

⁵ Membership in Audit Committee, Remuneration Committee, Investor Grievance Committee and Corporate Social Responsibility only considered.



Audit Committee:

The scope of reference of the committee, inter alia, includes:

- Review of audit with Statutory Auditors & Internal Auditors.
- Limited Review of quarterly accounts with Statutory Auditors.
- Review of annual financial statements with auditors and management before submission to the Board.
- Review of adequacy of internal control systems and internal audit function.
- Other matters as set out in the Listing Agreement and Section 177 of the Companies Act, 2013.

The Committee consists of the following Directors:

Mr. Richard Gall	-	Chairman
Mr. Asif Khader	-	Member
Dr. Peter Ryser	-	Member

The Committee met four times during the year. The dates of the meetings with details of attendance of the directors is given below:

Name of the Director	30 th May, 2017	14 th September, 2017	14 th December, 2017	14 th February, 2018
Richard Gall	Yes	Yes	Yes	Yes
Asif Khader	Yes	Yes	Yes	Yes
Dr. Peter Ryser	Yes	Yes	Yes	Yes

The Statutory Auditors attended all the meetings.

Stakeholders Relationship Committee:

The Company has a Shareholder Grievance Committee constituted as per Section 178 of the Companies Act, 2013 and as per requirements under Clause 49 of the Listing Agreement, to look into the grievances of investors. This Committee consists of Smt. Akthar Begum, Mr. Asif Khader and Mr. Mueed Khader. There were no unresolved grievances from the investors / shareholders as on March 31, 2018.

The Company has designated an email id exclusively for redressal of Investor Grievances, viz., investor.grievances@cranessoftware.com in compliance with clause 47(f) of the Listing Agreement for speedy redressal of investor grievances.

Nomination and Remuneration Committee:

The Board has constituted a 'Nomination and Remuneration Committee' under the provisions of Section 178 of the Companies Act, 2013 to finalize and propose the remuneration for Whole time Directors and Managing Director and to formulate policies for nomination and evaluation of key personnel. The committee consists of Mr. Richard Gall, Smt. Akthar Begum and Dr. Peter Ryser. The committee met on 14th September, 2017 to consider terms to the Whole-time Directors and Managing Director. All the committee members were present for the meeting and no changes were proposed to the terms of remuneration. The Company pays remuneration by way of salary, perquisites and allowances and a commission to the Whole-time Directors and Managing Director.

For Non-Executive Directors

No fixed remuneration is paid to the Non-executive Directors, they are paid commission as a percentage of the net profits, as decided by the Board but within the limits set under the provisions of the Section 198 of the Companies Act, 2013. The payment of commission was approved by the shareholders at the AGM held on September 11, 2006. The basis of determining the specific amount of commission payable to these directors is related to their attendance at meetings, contribution at meetings as perceived by the Board and the extent of consultations with them outside the meetings.

No commission was paid out to the Non-executive Directors for the year under review.

The Non Executive Directors do not hold any shares of the company in their names.

**Corporate Social Responsibility (CSR) Committee:**

The CSR activities of the Company are focussed in the areas of Education, Healthcare, Environment and Community Development. The CSR Activities undertaken by the Company are in line with the CSR Policy and recommendation of the CSR Committee comprising of Mr. Mueed Khader, Mr. Asif Khader and Mr. Richard Gall. Since there has been no profit declared by the Company, there has been no expenditure on CSR activities in the Financial Year 2017-18.

Annual General Meetings:

Details of last three Annual General Meetings and the Special Resolutions passed there at are as under:

Date of AGM	Time	Venue	Special Resolutions passed
30 th September, 2015	10:30 am	Shri Devaraj Urs Bhavan, No. 16-D, Millers Tank Bund Area, Vasanthanagar, Bangalore - 560052	-NIL-
29 th September, 2016	10:30 am	Orchid Hall, Hotel Ramada Bangalore No. 11, park Road, Near Indian Express, Bangalore - 560051	Approval for giving loans Guaranctees, Security and investments
28 th September, 2017	10:30 am	Orchid Hall, Hotel Ramada Bangalore No. 11, park Road, Near Indian Express, Bangalore - 560051	-NIL-

For AGM 2018, the Company does not have any proposal for postal ballot.

Disclosure:

During the year the Company did not enter into any transactions of material nature with any of the Promoters, Directors, Management or relative etc., which may have potential conflict with the interest of the Company.

Insider Trading:

Pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, the Company has adopted a code of conduct for prevention of insider trading and the required disclosure practices.

In addition, the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information has been formulated by the Board of Directors and is available on the website of the Company for download.

Whistle Blower mechanism:

The Company has a whistle blower policy, which provided the vigil mechanism for reporting with reliable information on any improper or unethical practices or actions which as violative (actual or potential) of the code of the Company by any employee or others dealing with the Company. It also addresses the protection of whistle blower who makes protected disclosures under the policy and provides for direct access to the Chairman of the Audit Committee.

The policy and the mechanism for reporting has been appropriately communicated across all locations of the Company.

During the year, no instance was reported under this policy.

**Means of Communication:**

The quarterly results are published generally in "Business Standard" & "Sanjevani" (Kannada). The results are also updated on the corporate website (www.cranessoftware.com). The quarterly results and the shareholding pattern are uploaded to the company website as well as the websites of the Stock Exchanges.

GENERAL SHAREHOLDER INFORMATION

A	33rd Annual General Meeting	
	Date and Time	27th September, 2018 at 10:30 AM
	Venue	Oleander hall, Iris Hotel, # 70, Brigade Road, Bangalore-560025
B	Financial Calendar	
	Audited Annual Results - FY 2017-18	30th May, 2018
	Unaudited results for the quarter ending June 30, 2018	14th August, 2018
	Unaudited results for the quarter ending September 30, 2018	Second week of November, 2018
	Unaudited results for the quarter ending December 31, 2018	Second week of February, 2019
	Audited Annual Results - FY 2018-19	Last week of May, 2019
C	Book closure date	22nd September, 2018 to 27th September, 2018
D	Dividend payment date	No Dividend declared
E	Listing of Equity shares	
	Name and Address of Stock Exchange	Stock Code
	Bombay Stock Exchange Ltd. (BSE)	512093
	P J Towers, Dalal Street, Mumbai - 400001	
	The Listing Fee has been paid to the Stock Exchange	
F	Website of the Company	www.cranessoftware.com
G	Registrar and Transfer Agents	M/s Integrated Registry Management Services Private Ltd., No.30 Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bangalore - 560 003
H	Demat ISIN Number allotted to the Company	INE234B01023

The Company came out with a Euro 42 million, 2.50 Foreign Currency Convertible Bond (FCCBs) issue during 2005-06, the FCCBs are listed at the Singapore Stock Exchange. The FCCBs were convertible into shares or GDRs and the GDRs would be listed at the Luxembourg Stock Exchange and the shares with BSE & NSE in India. As of date no FCCB conversions have taken place.

SHARE PRICE DATA:

The Share price data on the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE) during the financial year 2017-18 is given below:

**BSE INDIA MARKET PRICE**

Month	Open Price	Close Price
April 2017	1.67	1.3
May 2017	1.45	1.17
June 2017	1.24	0.84
July 2017	1.02	0.84
August 2017	1.19	0.92
September 2017	1.62	1.05
October 2017	1.50	1.05
November 2017	1.64	1.18
December 2017	3.87	1.33
January 2018	6.52	4.06
February 2018	4.78	3.40
March 2018	4.09	2.35

Trading of shares was suspended on the NSE effective September 2, 2010, due to non-compliances by the Company during the year, which have largely been addressed by the Company.

VOLUNTARY DELISTING OF EQUITY SHARES FROM THE NSE:

Pursuant to approval of the Board of Directors at its meeting held on July 10, 2018, the Company had filed application for voluntary delisting of Company's equity shares from the NSE on July 19, 2018 in terms of regulation 6 and 7 of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 ("SEBI Delisting Regulations") which was approved by NSE vide its circular no. NSE/LIST/55769 dated July 31, 2018 pursuant to which NSE has withdrawn (delisted) the admission to dealing in securities of the Company w.e.f. August 8, 2018.

The Equity Shares of the Company will continue to remain listed on BSE having nationwide terminals and the shareholders of the Company shall continue to avail the benefits of listing and trading on BSE.

In this regard, the Company has made necessary disclosures required under SEBI Delisting Regulations and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the BSE and NSE.

REGISTRAR & TRANSFER AGENTS:

Share Transfer work is being done by M/s Integrated Registry Management Services Private Ltd., No.30 Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bangalore - 560 003 who are SEBI registered Registrars & Transfer Agents for both physical and demat shares.

SHARE TRANSFER SYSTEM:

The power to approve transfer of shares has been delegated by the Board to the Share Transfer Committee. Share transfers are processed within 15 days from their receipt.

SECRETARIAL AUDIT:

As required by SEBI Circular No. D&CC/FITTC/CIR-16/2002 dt. 31.12.2002, Secretarial Audit was carried out by a Practicing Company Secretary on quarterly basis to reconcile the total admitted capital with both the depositories and the total issued and listed capital. The total number of shares in physical form and the total number of dematerialised shares held with the depositories were in agreement with the total issued / paid-up capital.

COMPLIANCE WITH CORPORATE GOVERNANCE NORMS:

The Board periodically reviews the compliance of all applicable laws and gives appropriate directions wherever necessary.

A Certificate from the Managing Director on the Financial Statements was placed before the Board.

The Company has complied with most mandatory requirements of Corporate Governance norms as enumerated in



Clause 49 of the Listing Agreements with stock exchanges. The Company has obtained a certificate from the statutory auditors of the Company regarding compliance with the other provisions of the above clause and the same is attached hereto.

Distribution of Shareholdings as on March 31, 2018:

Shares holding (1)	Share holders		Shares		
	Number (2)	% to Total (3)	(4)	% to Total (5)	
upto 500	20,841	62.58	4,505,717	3.83	
501	1,000	5,166	15.51	4,458,652	3.79
1,001	2,000	3,202	9.61	5,160,599	4.38
2,001	3,000	1,237	3.71	3,265,375	2.77
3,001	4,000	606	1.82	2,242,550	1.90
4,001	5,000	583	1.75	2,796,813	2.37
5,001	10,000	857	2.57	6,486,924	5.51
10001 & above		812	2.44	88,850,220	75.45
	33,304	100.00	117,766,850	100.00	

Pattern of Share Holding as on March 31, 2018:

Particulars	No. of Shareholders	No. of Shares	% to total
Promoter	10	7,519,000	6.38
Banks	3	16,584,356	14.08
Insurance Companies	0	0	0.00
Foreign Portfolio Investors	1	1	0.00
Bodies Corporate	290	20,336,715	17.27
Resident	32,632	65,138,611	55.31
Trust	3	4,500	0.00
Clearing Members	104	794,013	0.67
Foreign Nationals	1	16,071	0.01
NRI	260	7,373,583	6.26
Total	33,304	117,766,850	100.00

DEMATERIALISATION OF SHARES:

The Company has entered into necessary agreements with NSDL & CDSL for dematerialization of shares held by investors. As of March 31, 2018 about 99.66% of the Company's shares are held in dematerialised form.

OFFICE LOCATIONS:

The Company has its product development center, corporate office and various branches at Bangalore.

ADDRESS FOR COMMUNICATION:

- To the Company:
Mr. P. Phaneendra, Compliance Officer,
Cranes Software International Ltd.
2, Taverekere, Bannerghatta Road, BTM Layout, 1st Stage, 1st Phase, Bangalore - 560 029.
- To the Registrar & Transfer Agent - for Share Transfers / Transmissions..etc
Mr. Vijay Gopal, Vice President
Integrated Registry Management Services Private Ltd.
No. 30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bangalore - 560 003.



ANNEXURE II

COMPANY SECRETARY CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To,
The members of Cranes Software International Limited,

We have examined the compliance of conditions of corporate Governance by CRANES SOFTWARE INTERNATIONAL LIMITED ('the Company'), for the year ended 31st march 2018, as stipulated under the relevant provisions of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in regulation 15(2) of the Listing Regulations.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination conducted in the manner described in the "Guidance Note on certification of Corporate Governance" issued by the Institute of Company Secretaries of India, was limited to procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said clause. Our examination was neither an audit nor was it conducted to express an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and on the basis of our examination described above, the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations in all material respects.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency of effectiveness with which the management has conducted the affairs of the Company.

Place : Bangalore
Date : 3rd September, 2018

Name : Gnanesh M
ACS No : 40071
FCS No : 14849