



REPORT ON CORPORATE GOVERNANCE

The following are the details furnished in the form as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE:

The Company's philosophy of Corporate Governance is aimed at assisting the top management of the Company in the efficient conduct of the business and in meeting its obligation to stakeholders, and is guided by a strong emphasis on transparency, accountability and integrity.

Given below is a brief report on the practice followed at CAT Technologies Limited towards achievement of good Corporate Governance.

2. BOARD OF DIRECTORS:

The Board of Directors of the Company possesses highest personal and professional ethics, integrity and values, and provide leadership, strategic guidance and objective judgement on the affairs of the company. The Board is fully aware of its fiduciary responsibilities and is committed to represent the long-term interest of the Stakeholders. The Board adopted the principles of corporate governance and remains informed, participative, and independent to implement its broad policies and guidelines and has set up adequate review procedures:

- **Composition of the Board of Directors as on March 31, 2019.**

The Key to good corporate governance is the optimum combination of the executive and non-executive directors on the board and the extent of their independence. The strength of the Board as on 31st March, 2019 consists of Six Directors,

- **Three** of them are Independent Directors,
- **Two** are Promoter Non-Executive Directors of which one being a Woman Director.
- **One** of them is a Promoter Executive Director

Your Company has taken all necessary steps to strengthen the Board with optimum combination of Independent and Promoter Directors.

- **During the financial year 2018-19, Seven (7) Board Meetings were held on the following dates:**

Attendance of each Director at the Board meeting and last Annual General Meeting (AGM) and the number of Companies and committees where he is Director / Member (as on the date of Directors' Report):

30.05.2018	10.08.2018	31.08.2018	18.10.2018	12.11.2018	14.02.2019	28.02.2019
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- **Board of Directors' attendance for the Board & Committee Meetings held during the year 2017-18:**

S No	Name of the Directors	Category	Attendance at AGM	Attendance		Other Boards	
				Board Meeting Held	Board Meeting Attended	Director ship	Committees
1	Dhiraj Kumar Jaiswal	Promoter & Executive	Yes	7	7	1	-
2	Nisha Jaiswal	Promoter & Non-Executive	Yes	7	7	1	2
3	Dinesh Kumar Jaiswal	Promoter & Non-Executive	No	7	2	1	-
4	Omar Mohammad	Independent Director	Yes	7	6	1	3
5	Shailender Singh Thakur	Independent Director	No	7	6	1	3
6.	Saibaba Gopathi	Independent Director	No	7	4	1	3

- **Disclosure of relationships between directors inter-se:**

Promoter Directors are family members. Mr. Dinesh Jaiswal is brother of Mr. Dhiraj Kumar Jaiswal and Mrs. Nisha Jaiswal is wife of Mr. Dhiraj Kumar Jaiswal.

3. **AUDIT COMMITTEE:**

The primary objective of Audit Committee is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures and transparency in financial reporting. The Company has a qualified and independent Audit Committee comprising of Executive and Non-executive/Independent Directors. The Chairman of the Committee is an Independent Director.

- **Composition:**

Audit Committee of your Company as on date consists of following Non-executive Independent Directors:

1. Mr. Omar Mohammad - Chairman
2. Mr. Shailendra Singh Thakur - Member (w.e.f 13.03.2018)
3. Mrs. Nisha Jaiswal - Member

- **Meetings and Attendance during the year:**

The committee met 5 times during the financial year 2018-19 on 30.05.2018, 10.08.2018, 12.11.2018, 14.02.2019 and 28.02.2019 and attendance of each Member of Committee is as follows.



S. No	Name of the Members	Designation	No. of Meetings held	No. of Meetings attended
1	Omar Mohammad	Chairman	5	5
2	Shailender Singh Thakur	Member	5	5
3	Nisha Jaiswal	Member	5	5

- **Terms of Reference:**

- The recommendation for appointment, remuneration and terms of appointment of auditors of the Company
- Review and monitor the auditor's independence and performance and effectiveness of audit process.
- Examination of the financial statement and auditor's report thereon.
- Approval or any subsequent modification of transaction of the company with related parties.
- Scrutiny of intercorporate loans and investments.
- Valuation of undertakings or assets of the company, wherever it is necessary.
- Evaluation of internal financial control and risk management systems.
- Monitoring the end use of funds and related matters.
- Others task as may be assigned by the board.

4. **NOMINATION AND REMUNERATION COMMITTEE:**

- **Brief description of terms of reference:**

The Nomination and Remuneration Committee is vested with the powers relating to formulating the criteria for determining qualifications, attributes, independence of a directors, recommend to the board policies for executive directors and senior managements.

The Committee shall also identify & screen candidates who qualify to become directors and may be appointed in senior management with the criteria laid down, evaluation of director's performance, approving and evaluating the compensation plans, policies and programs for executive directors and senior managements.

The Chairman of the nomination and remuneration committee could be present at the Annual General Meeting, to answer the shareholders' queries. However, it would be up to the Chairman to decide who should answer the queries.

- **Composition:**

The Nomination & Remuneration Committee constitutes of following Independent Directors:

1. Mr. Omar Mohammad - Chairman
2. Mr. Shailendra Singh Thakur - Member (w.e.f 13.03.2018)
3. Mr. Saibaba Gopathi - Member(w.e.f 13.03.2018)



- Meetings and Attendance during the year:**

The committee met on **one** time during the financial year on 30.05.2018 attendance of each Member of Committee is as follows.

S. No	Name of the Members	Designation	No. of Meetings held	No. of Meetings attended
1	Omar Mohammad	Chairman	1	1
2	Syed Mohiuddin Ahmed	Member	1	1
3	Saibaba Gopathi	Member	1	1

- Details of remuneration paid to the Directors:**

The remuneration policy of the Company has been so structured in order to match the market trends of the IT industry. The Board in consultation with the Nomination and Remuneration & Compensation Committee decides the remuneration policy for Directors. The Company has made adequate disclosures to the members on the remuneration paid to Directors from time to time. Remuneration/ Commission payable to Directors is determined by the contributions made by the respective Directors for the growth of the Company.

Presently, the non-executive Directors do not receive any remuneration from the Company except sitting fees.

The aggregate value of salary and perquisites for the year ended 31.03.2019 to Managing Director is as under:

Name	Designation	Remuneration paid / to be paid for Financial Year 2017-18 (in Rs.)		
		Salary & Perks	Commission	Total
Dhiraj Kumar Jaiswal	Managing Director	-	-	-

5. STAKEHOLDERS RELATIONSHIP COMMITTEE:

- Composition**

Composition of Stakeholders Relationship Committee is as follows:

S. No.	Name of the Members	Designation
1.	Omar Mohammad	Chairman
2.	Nisha Jaiswal	Member

The role of Stakeholders' Relationship Committee is as follows:

1. Considering and resolving the grievances of shareholders of the Company with respect to transfer of shares, non-receipt of annual report, non-receipt of declared dividend, etc.;
2. Ensuring expeditious share transfer process in line with the proceedings of the Share Transfer Committee;



3. Evaluating performance and service standards of the Registrar and Share Transfer Agent of the Company;

1. OTHERS:

(a) Name and designation of Compliance officer:

Mr. Dhiraj Kumar Jaiswal - Managing Director

(b) Details of Investor complaints received and redressed during the year:

Particulars	Financial Year 2018-19		
	Received	Resolved	Pending
Complaints Received	Nil	Nil	Nil

2. GENERAL BODY MEETINGS OF THE COMPANY:

• **Location and time where the last three AGMs' held:**

Year	Location	Date	Time (A.M.)	No. of Special Resolutions
2017-18	1st Floor, Champa Mansion, Nampally Station Road, Hyderabad – 500 001	14.11.2018	10.30	Nil
2016-17	1st Floor, Champa Mansion, Nampally Station Road, Hyderabad – 500 001	27.11.2017	10.00	Nil
2015-16	1st Floor, Champa Mansion, Nampally Station Road, Hyderabad – 500 001	30.09.2016	11.00	Nil

- No Special Resolutions were passed through postal ballot at the Last Annual General Meeting (AGM) and no special resolutions are proposed through postal ballot at the ensuing Annual General Meeting.

3. DISCLOSURES:

(a) CEO and CFO Certification:

The Managing Director and Chief Financial Officer have given a certificate to the Board as contemplated in Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

(b) Related Party Transactions:

There are no materially significant related party transactions i.e. transactions of the Company of material nature, with its Promoters, the Directors or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of Company at large.



Transactions with related parties in the ordinary course of business were disclosed in the Notes to Accounts in the Annual Report and also in Directors Report.

(c) Compliance with the Governance Framework

The Company has complied with the mandatory requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 including CEO/CFO certification. As required under Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a certificate signed by CEO & CFO of the Company has been placed before the Board of Directors and the same has been provided elsewhere in this report. Further, a certificate from the Statutory Auditors, certifying the compliance of corporate governance was adhered/adopted has also been provided elsewhere in this report.

i) Nomination and Remuneration Committee:

The Company has constituted a Nomination and Remuneration & Compensation Committee consisting of Non-executive Directors and Chairman. A detailed note on Nomination and Remuneration & Compensation Committee is provided elsewhere in the report. The Chairman of the Committee is an Independent Director.

ii) Whistle Blower Policy:

The Company has established a mechanism for employees to report concerns about unethical behaviors, actual or suspected fraud, and violation of Code of Conduct of the Company etc. The mechanism also provides for adequate safeguards against victimization of employees who avail the mechanism and also provides for direct access by the Whistle Blower to the Audit Committee. We affirm that during the Financial Year 2018-19, no employee has been denied access to the Audit Committee.

iii) Risk Management framework:

The Company continues to use the Risk Management framework adopted by the Board of Directors. The framework provides an integrated approach for managing the risks in various aspects of the business.

iv) Insider Trading Policy:

As per the SEBI (Prohibition of Insider Trading) Regulations, 1992 an Insider Trading Policy of the company is in force. The policy guides a mechanism for regulating transactions of the shares of the company and enforces a code of conduct and internal procedures.

The Company is in compliance with all mandatory requirements of corporate governance. In addition, the Company has also adopted the non-mandatory requirements of constitution of the Remuneration Committee and establishing of Whistle Blower mechanism.

(d) Details of Non Compliance and Penalties:

There was no non-compliance by the Company during the last 3 years on any matter relating to capital markets and there were no penalties, structures imposed on the Company by stock Exchange or SEBI or any statutory authority.



4. MEANS OF COMMUNICATION:

a. Investor Information:

Investors are being provided with timely information on all Company related matters; Media release: all our media releases are posted on the Company's website: www.cattechnologies.com.

i) **Quarterly Results:**

Quarterly results and Annual Results of the Company are normally published in Telugu & English Newspaper. Further all material information which will have some bearing on the operation of the Company is sent to stock exchanges concerned.

ii) **Annual Report:**

Annual Report containing audited standalone accounts, consolidated financial statements together with Directors' Report, Auditors' Report and other important information are circulated to members and others entitled thereto either in physical copy or through email.

iii) **Website:**

The Company's website contains a separate dedicated section "Investor Relations" where information sought by shareholders and the presentations made to the investors are available. The Annual Report, Media release and financial reports of the company are available on the website in a user-friendly and downloadable form at www.cattechnologies.com

b. Management Discussion And Analysis Report:

As required by Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report gives an overview of the Industry, Company's business, its financials etc., and the same is provided elsewhere in this report, which forms a part of the Directors' Report.

5. GENERAL SHAREHOLDER INFORMATION:

• **Annual General Meeting:**

The 24TH Annual General Meeting of the Company will be held on **MONDAY, 30th SEPTEMBER, 2019 at 11.00 A.M** at H No. 5-4-736, 4th Floor, Nampally Station Road, Abids, Hyderabad – 500 001.

• **Financial Calendar:**

First Quarter Results	First week of August, 2018
Second Quarter Results	First week of November, 2018
Third Quarter Results	First week of February, 2019
Audited Results	Last week of May, 2019



- **Book Closure Date:**

From Thursday, 26th September, 2019 to Monday 30th September, 2019 (inclusive of both days)

- **E-voting Date:**

From 27th September, 2019 9 A.M. to 29th September, 2019 5-00 P.M.

- **Listing on Stock Exchanges:**

The shares of the Company are listed on BSE Limited:

Scrip Code: BSE Limited : 531682

Your Company is regular in payment of Annual Listing Fee to BSE Limited.

- **Market Price Data:**

High / Low during each month in last financial year on the Stock Exchange is as follows:

Months	BSE Limited	
	High	Low
April 2018	0.89	0.85
May 2018	0.85	0.85
June 2018	0.85	0.84
July 2018	0.88	0.83
Aug 2018	0.83	0.72
Sep 2018	0.72	0.70
Oct 2018	0.70	0.70
Nov 2018	0.76	0.76
Dec 2018	0.75	0.72
Jan 2019	0.73	0.54
Feb 2019	0.52	0.34
Mar 2019	0.54	0.54

- **Auditor Remuneration:**

Name	Designation	Remuneration paid / to be paid for Financial Year 2018-19 (in Rs.)
Ramu & Ravi	Statutory Auditor	2,75,000/- P.A.

- **ISIN No. for NSDL & CDSL: INE170B01037**



- **Registrar and Transfer Agents:**

M/s. Aarthi Consultants Private Limited

1-2-285, Domalguda, Hyderabad – 500 029

Phone: 040-27638111

Fax: 040-27632184

E-mail: info@aarthiconsultants.com

- **Share Transfer System:**

All the physical share transfers received are processed by the Share Transfer agents, M/s. Aarthi Consultants Private Limited. The Company's shares are being traded in compulsory De-mat form. The Company has already entered into agreement with both the depositories i.e. NSDL and CDSL for dematerialization of shares, which enables the shareholders to hold and transfer shares in electronic form

- **Reconciliation of Share Capital Audit:**

A Company Secretary in Practice carries out quarterly audit to reconcile the total admitted equity share capital with NSDL and CDSL and the total issued and listed equity share capital.

SHAREHOLDING PATTERN AS ON 31ST MARCH, 2019

S. No	Category	No. of Shares	% of holding
1	Indian Promoters	45,66,209	5.75
3	Mutual Funds & UTI	-	-
4	Banks, Financial Institutions, Insurance Companies (Central / State Govt. Institutions/ Non-Govt. Institution)	15,200	0.02
5	Foreign Institutional Investors	12,99,133	1.64
6	Private Corporate Bodies	47,76,722	6.01
7	Indian Public	1,09,83,686	13.83
8	NRI's/OCB's (Including Depository Receipts)	5,77,95,528	72.75
	TOTAL	7,94,36,478	100.00



- DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2018**

S. No	Category From - To	No. of Holders	% of Holders	No. of Shares	% of Shares
1	Upto - 5,000	4469	68.2	910186	1.15
2	5,001 - 10,000	836	12.76	743033	0.94
3	10,001 - 20,000	491	7.49	800814	1.01
4	20,001 - 30,000	175	2.67	454233	0.57
5	30,001 - 40,000	80	1.22	292902	0.37
6	40,001 - 50,000	108	1.65	521027	0.66
7	50,001 - 1,00,000	179	2.73	1375355	1.73
8	Above - 1,00,000	215	3.28	74338928	93.58
	TOTAL	6574	100	79436478	100

- Dematerialization of shares and liquidity:**

The Shares of the Company are under compulsory demat trading. The Company has already entered into necessary agreements with NSDL and CDSL for demat facility.

99.51% of total equity capital of the Company is held in dematerialization form with NSDL and CDSL as on 31st March, 2019.

- Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity:

Company has 33,05,996 GDRs with 5,77,95,528 underlying Equity Shares

- Address for correspondence:**

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1-2-285, Domalguda

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