

Corporate Governance Report for the year ended on 31st March 2018

1 Company Philosophy:

The Company is committed to a system of good Corporate Governance, which envisages transparency, accountability, integrity & equity in all facets of its operations, all interactions with its stakeholders, including, employees and the Government. It is also committed to achieve the highest international standards of Corporate Governance.

2 Board of Directors:

Category	No. of directors
Non-Executive & Independent Directors	1
Executive Director(CEO & Managing Director)	2
Total	3

The Chairman of the Board is an Executive Director. As required under Section 149(3) of the Companies Act, 2013, Ms. Usha P Raikar, a women Director, has been appointed as an Executive Director on the Board.

The names, designation, categories of the Directors and their shareholding in the Company as on 31st March, 2018

Name of Director	Date of Appointment	Category	Equity shareholding in the Company	No. of Directorship(s) held in Indian public & private Limited Companies (Including Eduworth)	Committee(s) position (including Eduworth)	
					Member	Chairman
Mr S Ragothaman	17/12/1986	Executive	2354570	None	None	None
Ms Usha P Raikar	29/11/1999	Executive	319810	None	None	None
Mr. B S Chandreshekar	08/08/2012	Independent	1000	1	None	Non

Details of Directors' attendance during the Financial Year 2017-18 and at the last Annual General Meeting, number of Directorships in other Indian companies and Committee memberships/ Chairmanship held by them in Indian public companies as on 31st March, 2018 are furnished below :

Name of Director	No. of Board Meetings held during the tenure	No. of Board Meetings attended	Attendance at last AGM held on 29th September, 2017	No. of Directorships held in other Indian Companies	No. of Committee Memberships/ Chairmanship held in other Indian Public companies*	
					As Chairman	As Member
Mr S Ragothaman	5	5	Yes	Nil	Nil	Nil
Ms Usha P Raikar	5	5	Yes	Nil	Nil	Nil
Mr M N Thakkar	5	5	Yes	3	Nil	Nil
Mr B S Chandreshekar	5	1	Yes	1	Nil	Nil

COMMITTEES OF THE BOARD.

(a) Audit Committee The Audit Committee continued working under Chairmanship of Shri. M. N. Thakkar with Shri. S. Ragothaman and Shri. B. S. Chandreshekar as co-members. During the year, the sub-committee met on four occasions with full attendance of all the members. The composition of the Audit Committee as at March 31, 2018 and details of the Members participation at the Meetings of the Committee are as under:

Name of Director	Category	23/06/17	24/08/17	25/11/17	12/02/18
Mr S Ragothaman	Executive Director	Yes	Yes	Yes	Yes
Mr B S Chandreshekar	Independent	Yes	Yes	Yes	Yes
Mr M N Thakkar	Independent	Yes	No	No	No

The Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013. Some of the important functions performed by the Committee are:

Financial Reporting and Related Processes

- Oversight of the Company's financial reporting process and financial information submitted to the Stock Exchanges, regulatory authorities or the public.
- Reviewing with the Management the quarterly unaudited financial statements and the Auditors' Limited Review Report thereon/audited annual financial statements and Auditors' Report thereon before submission to the Board for approval. This would, inter alia, include reviewing changes in the accounting policies and reasons for the same, major accounting estimates based on exercise of judgement by the Management, significant adjustments made in the financial statements and / or recommendation, if any, made by the Statutory Auditors in this regard.
- Review the Management Discussion & Analysis of financial and operational performance.
- Discuss with the Statutory Auditors its judgement about the quality and appropriateness of the Company's accounting principles with reference to the Generally Accepted Accounting Principles in India (IGAAP).
- Review the investments made by the Company.

All the Members on the Audit Committee have the requisite qualification for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls. During the year under review, the Audit Committee held a separate meeting with the Statutory Auditors to get their inputs on significant matters relating to their areas of audit.

(b) Remuneration Committee

In compliance with Section 178 of the Companies Act, 2013, the Board has renamed the existing "Compensation Committee" as the "Nomination and Remuneration Committee".

The terms of reference of the Committee inter alia, include the following:

- Succession planning of the Board of Directors and Senior Management Employees
- Identifying and selection of candidates for appointment as Directors / Independent Directors based on certain laid down criteria;
- Identifying potential individuals for appointment as Key Managerial Personnel and to other Senior Management positions;
- Formulate and review from time to time the policy for selection and appointment of Directors, Key Managerial Personnel and senior management employees and their remuneration;
- Review the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board.

The composition of the Audit Committee as at March 31, 2018 and details of the Members participation at the Meetings of the Committee are as under:

Name of Director	Category	23/06/17	24/08/17	25/11/17	12/02/18
Mr S Ragothaman	Executive Director	Yes	Yes	Yes	Yes
Mr B S Chandreshkar	Independent	Yes	Yes	Yes	Yes
Mr M N Thakkar	Independent	Yes	No	No	No

(c) Stakeholders' Relationship Committee (mandatory committee)

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement, the Board has renamed the existing "Shareholders'/Investors' Grievance Committee" as the "Stakeholders' Relationship Committee". The terms of reference of the Committee are:

- transfer/transmission of shares/debentures and such other securities as may be issued by the Company from time to time;
- issue of duplicate share certificates for shares/debentures and other securities reported lost, defaced or destroyed, as per the laid down procedure;
- issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates / certificates relating to other securities;
- issue and allot right shares / bonus shares pursuant to a Rights Issue / Bonus Issue made by the Company, subject to such approvals as may be required;
- to grant Employee Stock Options pursuant to approved Employees' Stock Option Scheme(s), if any, and to allot shares pursuant to options exercised;
- to issue and allot debentures, bonds and other securities, subject to such approvals as may be required;
- to approve and monitor dematerialization of shares / debentures / other securities and all matters incidental or related thereto;
- to authorize the Company Secretary and Head Compliance / other Officers of the Share Department to attend to matters relating to non-receipt of annual reports, notices, non-receipt of declared dividend / interest, change of address for correspondence etc. and to monitor action taken;
- monitoring expeditious redressal of investors / stakeholders grievances;
- all other matters incidental or related to shares, debenture

During the year, One complaint was received from shareholders, and been attended/resolved.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Compliance Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

TERMS OF APPOINTMENT & REMUNERATION - CEO & MD

1. Mr S Ragothaman CEO & MD as per AGM resolution 3 on 29 Sep 2015

Period of Appointment	29 Sep 2015 to 28 Sep 2018
Salary Grade	50000 PM
Allowances	30000 PM
Perquisites	HRA(20000)
Retirement Benefits	None
Performance Bonus	1 % of net profits
Sign-on Amount	NIL
Deferred Bonus	NIL
Minimum Remuneration	
Notice Period & Severance Fees	

Other	TEL, CAR, Housing Loan as per company policy
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2. **Details of remuneration paid to the Directors are given in Form MGT – 9 available on the company web site**

3 Disclosures:

(a) Materially Significant related party transactions

There was no transaction of material nature with any of the related party, which is in conflict with the interest of the company.

(b) Details of non compliance by the company, penalties, strictures imposed on the company by the Stock Exchange or SEBI or any authority on any matter related to capital markets during last 3 years.

NSE has barred the company and its directors to associate directly or indirectly with the securities market and prevented all directors to be in any listed entities, in addition to freezing of all shares of directors, till such time the company provides an exit path to all the share holders. Your board has decided to formulate such plan when the company financial position improves during the coming years.

Compliance with Accounting Standards

In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant to Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provision of the Companies Act, 1956 read with General Circular 8/2014 dated April 04, 2014, issued by the Ministry of Corporate Affairs. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

Internal Controls

The Company has a formal system of internal control testing which examines both the design effectiveness and operational effectiveness to ensure reliability of financial and operational information and all statutory / regulatory compliances.

CEO & MD / CFO Certification

The MD have issued certificate pursuant to the provisions of Clause 49 of the Listing Agreement certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

CODE OF CONDUCT

The Board of Directors has approved a Code of Business Conduct which is applicable to the Members of the Board and all employees. The Company believes in "Zero Tolerance" to bribery and corruption in any form and the Board has laid down the "Anti-Bribery & Corruption Directive" which forms an Appendix to the Code. The Code has been posted on the Company's website www.bangaloresoftsell.com

PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Company Secretary & Head Compliance is responsible for implementation of the Code.

All Board Directors and the designated employees have confirmed compliance with the Code.

4 Means of Communication

i. Yearly report sent to each shareholders registered address or to the registered mail ID	YES
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5 GENERAL SHAREHOLDER INFORMATION:

I	Annual General Meeting:	31 th Annual General Meeting of the members of BANGALORE SOFTSELL LIMITED will be held at
	Day, Date, Time,	Friday, 28 th September, 2018 10:00 AM
	Venue	I Floor, Party Hall, Biryani Paradise, 83 Ittamadu Main road ,BSK 3 Stage ,Bangalore – 560085
II	Financial Year	1st April 2018 - 31st March 2019
III	Date of Book Closure	21 th September 2018 to 28 th September 2018
IV	Dividend Payment Date	No Dividend has been recommended for the year ended March 31 , 2018
VI	Stock Code - ISIN Number	INE-383B01010

VII. Market Price Data:

No Data available since Ahmadabad stock exchange is not in operation.

VIII. Registrar & Share Transfer Agent:

M/s Karvy computer Share Private Limited

Karvy Registry House, 8-2-596, St. No. 1, Banjara Hills, Hyderabad - 500034

Phone: 91 040 6716 1518 Fax: 040 23420814

E-mail: suresh.d@karvy.com

IX. Share Transfer System

All the transfer received are processed by the Registrars and Transfer Agents and approved by the Board/ Share Transfer Committee.

X. Shareholding Details

The share holding details are available in the company's web site.

Those shareholders, who have still not got their shares dematerialized, are advised to do so, as soon as possible, in view of many advantages that exists therein.

XII. Outstanding ADRs /GDRs/ Warrants or any convertible instruments:

The Company had not issued any GDRs / ADRs/ Warrants or any Convertible instruments in the past and hence as on 31st March, 2018 the Company does not have any outstanding GDRs/ ADRs/ Warrants or convertible instruments.

XIII. Plant Locations:

Company is engaged in the business infrastructure (i.e. Construction and development of properties); therefore, it does not have any manufacturing plants.

XIV. Address for correspondence:**M/s Karvy computer Share Private Limited**

Karvy Registry House, 8-2-596, St. No. 1, Banjara Hills, Hyderabad – 500034

Phone: 91 040 6716 1518 E-mail: suresh.d@karvy.com

BANGALORE SOFTSELL LIMITED

No.334/22, 1st Floor, 1st Main, 41st Cross, 8th Block Jayanagar

Bangalore KA 560082 IN E-mail: sragothaman@bangaloresoftsell.com CIN: U85110KA1986PLC008020

General Body Meetings

Particulars of last three Annual general meetings

AGM	Year ended 31st March,	Venue	Date	Time	Special Resolutions Passed
1	2015	Party hall, Biryani Zone, 83 Ittamadu Main road, BSK 3 Stage Bangalore 560 085	29 Sep 15	10 AM	MD's Appointment
2	2016	Party hall, Biryani Zone, 83 Ittamadu Main road, BSK 3 Stage Bangalore 560 085	29 Sep 16	10 AM	NIL
3	2017	Party hall, Biryani Zone, 83 Ittamadu Main road, BSK 3 Stage Bangalore 560 085	28 Sept 2017	10 AM	NIL

Share Holding detail:

MGT detail is available in the company web site under Financial.mgt7

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE:

The Company has obtained a certificate from its statutory auditors M/s R. K. Suchindra, Chartered Accountants (Membership. No. 223667) confirming compliance with the conditions of Corporate Governance as stipulated in Regulation 33 of the Listing Regulation with the Stock Exchanges. This Certificate is annexed to the Directors' Report for the year 2017-18.

DECLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT:

In terms of the requirements of SEBI (LODR) Regulation, 2015 the Company has received a certificate from its CEO pursuant to Schedule V Clause D of SEBI (LODR) Regulations, 2015 confirming and declaring that all the members of the Board of Directors and the senior management personnel have affirmed compliance with the code of conduct, applicable to them, for the Year ended 31 March, 2018.

For and on behalf of Board of Directors

BANGALORE SOFTSELL LIMITED

Date: 24.08.2018
Place: Bangalore

S RAGOTHAMAN
(Managing Director)
DIN: [00026750](#)

USHA RAIKAR
(Wholetime Director)
DIN: [00046371](#)

FINANCIAL CALENDAR 2018:

AGM – Date, time and venue	28 Sep 18 10:00 AM, Party hall, Biryani Zone, 83 Ittamadu Main road, BSK 3 Stage Bangalore 560 085
Financial Year	April, 2017 – March 31, 2018
Book Closure Date	None
Dividend Payment Date	Not Applicable
Listing of Eq. shares on stock exchanges.	SE not operational
Stock Code	ISIN INE 383 B 01010
Market Price Data and other related informations	Thinly Traded
Registrar & Transfer Agents	Karvy Computer Share P Ltd 46, Avenue 4, Street 1, Banjara Hills Hyderabad, 500 034
Board Meeting for consideration of Accounts for the financial year ended March 31, 2016 and recommendation of dividend	23/06/2018
Posting of Annual Reports	07/09/2018
Last date for receipt of Proxy Forms	26/09/2016
Probable date of despatch of warrants	Not Applicable
Board Meeting for consideration of unaudited quarterly results for the financial year ended March 31, 2018	23/06/2018
Audited results for the current financial year ending March 31, 2018	23/06/2018

For and on behalf of the Board

Bangalore

[24 Aug 2018](#)

S Ragothaman
Managing Director