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DIGITAL TRANSFORMATION



ANNUAL REPORT
2018-2019



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CORPORATE INFORMATION

Board of Directors

Dr. Mahalingam Vasudevan	: Managing Director & CEO
Dr. V. Manimala	: Executive Director & COO
Mr. Vijayakumar Madhavan	: Executive Director & CFO
Dr. Pasupathy Raju	: Independent Director
Ms. Keerti Saraswat	: Woman Independent Director
Ms. AVN. Srimathi	: Woman Independent Director
Mr. M. Sampath	: Independent Director

Registrars and Share Transfer Agent

Integrated Registry Management Services Private Limited
(Unit: California Software Co Ltd)
2nd Floor, Kences Towers,
1, Ramakrishna Street, North Usman Road T Nagar, Chennai -
600017 India
Tel: +91-44- 28140801 to 28140803
Email: yuvraj@integratedindia.in

Secretarial Auditor

S. Dhanapal and Associates
Practicing Company Secretaries

Financial Auditor

N. Balasubramanian Associates
Chartered Accountants

Stock Exchanges

National Stock Exchange of India Limited
BSE Limited

Contact us

Registered Office & Corporate Office:
California Software Company Limited,
2nd Floor, Unit 9, STPI Building,
5 Rajiv Gandhi Road,
Taramani, Chennai 600113
Contact Nos: +91- 44-3910 3600, 3616-20, 3644-45
Email for shareholders: investor@calsoftgroup.com
Website: www.calsoft.com / www.calsoftgroup.com

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CsDigital

CsCloud

CsBigData

CLIDAC

CLISAC

ARGCIC

CLPM

YESHGEECOM

CASP

CHRONSCRAPER

EYWA

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LETTER TO SHAREHOLDERS



Dear Shareholder

DELIVERING DIGITAL TRANSFORMATION TOGETHER

The world we live in is changing in so many ways, and our clients are embarking on far-reaching transformations. Our business is also experiencing sweeping changes. calsoft is adapting and adjusting to its environment to maintain and strengthen its enduring partnerships with clients, just as it has always done over the past 25 years.

Due to the changes resulting from digital transformation, business related issues are becoming increasingly significant within the digital services market. Going forward, we are optimistic and determined, mindful of what we need to do to reach our mission... integrate more than 1000 contracting companies, 10000 service providers and 100,000 professionals.

Calsoft focused on developing core modernization, digital engineering and connected products, artificial intelligence (AI) and analytics, intelligent process automation, industry and platform solutions, and interactive customer experiences. These capabilities form the core of Calsoft’s digital strategy, which we are committed to executing. We see ample headroom for growth in all these areas, which offer strong margin profiles and a combined market opportunity that we estimate to be in the hundreds of billions of dollars.

Calsoft is positioned to provide integrated software and information services, i.e. end-to-end IT services, including consulting services, technical services, outsourcing services, and training services. The technical services mainly involve IT solutions and outsourcing services, including ITO, BPO, EPO, and more.

Acquisitions are essential to building critical skills and capabilities in strategic, high-growth areas, which enhance our differentiation and drive organic growth. From 2017 onwards, we are in the process of acquiring E Commerce, AI and machine learning startups, Clinical data processing and management companies.

This is our vision of active offense, and starting again, our mission is to extend Calsoft’s long track record of success for into the future...to do so ..we have set a.... “mission” ... Calsoft must continue to serve as a trusted partner and advisor to businesses that strive to lead their industries by becoming increasingly productive and innovative. We helping clients digitize their products and services, personalize their customer experiences, automate their essential processes, and modernize their technology infrastructures. Above all, we enable them to deepen connections with their clients in ways that drive greater customer intimacy and spur growth.

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LETTER TO SHAREHOLDERS

Technical & Professional Services

We provide technical and professional services for key clients and major industries, our goal is to become a full-chain Information Technology Service Provider to Serve regional and global clients

Helping Our Large Customers Transform

Large customers in key industries globally have moved from the concept of digital transformation to actual implementation. In this round of construction, India’s software service companies have gained first-mover advantages. These changes will become our opportunities to “overtake” our peers.

“Sailing on the same Boat Strategy” headwind to build CsDigital

We are in the process of developing and launching a “cloud-based software industry park”. CsDigital, to support small IT Enterprises, gather software service ecosystem, enhance the efficiency of local software industry, and support transformation and upgrading and innovation development of traditional enterprises.

“Shares the Same boat” CsCloud Computing

CsDigital will co-construct a new ecosystem for ITS industry CsCloud. Our goal is to become a strategic partner that “shares the same boat”, as we further bundle both parties’ functions and services.

“Breakthrough in Bottlenecks” CsBigData

The premier global market intelligence firm predicts that the big data and analytic market will grow from USD130 billion to USD203 billion from 2016 to 2020.

YESHGEECOM - Digital Transformation of E Commerce Solutions By AI Integration

By 2020, more than 80 percent of Ecommerce applications would be integrated with AI. YeshGeeCom is an open and flexible framework to keep up with this growing list of emerging capabilities with AI integrations. YeshGeeCom can be used to trade B2B (business-to-business) and B2C(business-to-customer) segments.

EYWA - AI assistant for Doctors

EYWA redefine the way people access healthcare. Now the doctors can have virtual consultations with laser focus that can improve patient care. It uses deep-learning methods to diagnosis disease for various use case. We Team AI, make preliminary diagnosis of various medical conditions simple and efficient in a click away.

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CASP - Conversation Assistance BOT

with state of the art pretraining CASP is a chat-based AI assistance system along with voice support for general purpose information retrieving, querying specific data from database and triggering scheduled tasks with Voice authentication.

CHRONSCRAPPER

Chronscraper is an automated Data extraction tool used in structuring the data of PDF and scanned documents with advanced Image processing OCR (in handwritten recognition) method followed by Deep Neural Architecture in segregating data.

Moving Towards Active Offense And “Starting Again” campaign develops, a new round of growth for the Calsoft, has opened “**Cs Digital, CsCloud, CsBigData CLIDAC, CLISAC, ARGIC, CLPM, YESHGECOM, CASP, CHRONSCRAPER, EYWA**” in association with **Clinevo and TeamAI**, we will be on the offense. The Calsoft ‘s future is worth the anticipation!

Although I’ve been in my new role, I have learned how deeply intertwined we are with our clients. It is clear to me that Calsoft’s future lies in doing what we excel at: investing in talented, diverse, and engaged associates in an inclusive culture, identifying client needs and industry trends, and responding quickly with tailored solutions that facilitate client success.

I’m fortunate to be surrounded by a deeply experienced leadership team, a fully engaged Board of Directors, and my passionate colleagues around the world who share the work we are privileged to do every day. I’m a firm believer that no company can live on its legacy, however great. We are only as good as our future.

I am committed to advancing Calsoft’s pivot to digital and spurring the next phase of success by staying focused on our associates, clients, and shareholders.

We are at new starting point to integrate more than 1000 contracting companies, 10000 service providers and 100,000 professionals to achieve our vision and mission, with our core values “Keeping True Heart of Kindness, Determination and Perseverance, Striving for Success, Sharing and Growing with the Customers” that keep us Growing and win!

We must firmly and persistently carry forward our values and strive for our continuous progress, and to score a greater victory.

I am absolutely thrilled to be serving as Calsoft’s CEO.

Thank you, Investors and Shareholders, for the Opportunity to earn your confidence and trust.

Dr. M. Vasudevan
Managing Director & CEO



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Notice is hereby given that the Twenty-Seventh Annual General Meeting of California Software Company Limited will be held on **Monday, September 30, 2019 at 3.00 PM** at California Software Company Limited, 2nd Floor, Unit 9, STPI Building, 5 Rajiv Gandhi Road, Taramani, Chennai 600113, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the standalone and consolidated financial statements of the Company comprising of audited balance sheet as at March 31, 2019, the statement of profit and loss and cash flow statement for the year ended on that date and the reports of the Board and Auditors' thereon.
2. To appoint a Director in place of **Mr. Mahalingam Vasudevan** (DIN: 01608150), who retires by rotation and being eligible, offers himself for re-appointment.

All the Executive Directors and Non-Executive and Non-Independent Directors are liable to retire by rotation. Applying this, Mr. Mahalingam Vasudevan (DIN: 01608150) who was appointed as Executive Director on 12/08/2016, in the current term, being the longest serving member, is liable to retire by rotation.

In this regard, the following resolution is placed before the Shareholders for approval. To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 the approval of the Shareholders of the Company be and is hereby accorded to the re-appointment of Mr. Mahalingam Vasudevan (DIN: 01608150) as a Director liable to retire by rotation"

SPECIAL BUSINESS

3. Appointment of Ms. AVN Srimathi (DIN 08328823) as an Independent Director of the Company

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Ms. AVN Srimathi (DIN :08328823), who has submitted a declaration that she meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and who is eligible for appointment, and in respect of whom the Company has received a

notice in writing from a Member under Section 160(1) of the Act signifying his intention to propose Ms. AVN Srimathi's candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years commencing from May 10, 2019 up to May 09, 2024."

"RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

4. Appointment of Mr. Sampath (DIN 08449699) as an Independent Director of the Company

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Mr. Sampath (DIN :08449699), who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and who is eligible for appointment, and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act signifying his intention to propose Mr. Sampath's candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years commencing from May 10, 2019 up to May 09, 2024."

"RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

By order of the Board

For California Software Company Limited

Dr. Mahalingam Vasudevan
Managing Director

Chennai
August 14, 2019

Notes:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('the Act') in respect of the special business under Item Nos. 3 and 4 above is annexed hereto. The relevant details of the Directors seeking re-appointment/appointment under Item Nos. 3 and 4 pursuant to Regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and as required under Secretarial Standard – 2 on General Meetings issued by the Institute of Company Secretaries of India, are annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Proxies in order to be effective must be deposited with the company at its registered office not less than 48 hours before the scheduled time of the meeting. A person can act as a proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. If a proxy is proposed to be appointed by a Member holding more than ten percent of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or member.
3. Corporate Members intending to send their authorized representative(s) are requested to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
4. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
5. Members, Proxies and Authorised Representatives are requested to bring to the meeting, the Attendance Slip enclosed herewith, duly completed and signed, mentioning therein details of their DP ID and Client ID / Folio No. along with their copy of Annual Report.
6. Register of Members and Share Transfer Books of the Company will be closed from 29.09.2019 to 30.09.2019 (both days inclusive) for the purpose of Annual General Meeting.
7. The Securities and Exchange Board of India ('SEBI') has mandated the transfer of securities to be carried out only in dematerialised form (except in case of transmission or transposition of securities) effective from 1st April 2019. Accordingly, requests for physical transfer of securities of listed entities shall not be processed from 1st April 2019 onwards. In view of such amendment and in order to eliminate the risks associated with physical holding of shares, Members who are holding shares in physical form are hereby requested to dematerialise their holdings.
8. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR

code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, M/s. Integrated Registry Management Services Pvt. Ltd. to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Integrated Registry Management Services Pvt. Ltd., (Unit – California Software Company Limited) 2nd Floor, Kences Towers, 1, Ramakrishna Street, North Usman Road, T.Nagar, Chennai-600017, quoting correct Folio Number.

9. The Company has transferred the unpaid or unclaimed dividends declared up to the financial year 2009- 10, from time to time, to the Investor Education and Protection Fund (IEPF) established by the Central Government. The amount of dividend which remains unclaimed for a period of 7 years would be transferred to the IEPF. Accordingly, the proposed date for the transfer of unclaimed dividend by the Company for the year 2011-12 to IEPF. Pursuant to the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended ('IEPF Rules'), all the shares on which dividends remain unpaid or unclaimed for a period of seven consecutive years or more shall be transferred to the demat account of the IEPF Authority as notified by the Ministry of Corporate Affairs.
10. A route map giving directions to reach the venue of the 27th AGM is given at the end of the Notice.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / M/s. INTEGRATED REGISTRY MANAGEMENT SERVICES PRIVATE LIMITED.
12. Electronic copy of the Annual Report of the 27th Annual General Meeting of the Company inter alia indicating the process and manner of electronic voting ('e-voting') along with Attendance Slip, Proxy Form and Route Map is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 27th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip, Proxy Form and Route Map is being sent in the permitted mode.
13. Members may note that Notice of the 27th Annual General Meeting of the Company, Annual Report, Attendance Slip, Proxy Form and e-voting instructions are also available on the Company's websites www.calsoftgroup.com and www.calsof.com

14. The relevant details as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered with Stock Exchange of person seeking appointment/re-appointment as Director is also annexed and forms part of this Notice.
15. All the material documents, Resolutions, Memorandum and Articles of Association of the Company etc. are open for inspection to the members during the office hour of all working day till the conclusion of the Annual General Meeting at the registered office of the Company.
16. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

VOTING THROUGH ELECTRONICS MEANS

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is pleased to provide e-Voting facility for its members to enable them to cast their votes electronically. The company has availed the e-Voting services as provided by National Securities Depository Limited. (NSDL). The Company has appointed S Dhanapal & Associates, a firm of Practicing Company Secretaries as scrutinizer for conducting the e-Voting process in a fair and transparent manner. The instructions for e-Voting are detailed hereunder:

The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date being September 23, 2019.

The instructions for Shareholders for e-Voting are as under:

A. In case of Shareholders' receiving e-mail from NSDL (for members whose email IDs are registered with the Company/Depository participants):

- i. Open e-mail and open PDF file viz; "California Software Company Limited e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
- ii. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
- iii. Click on "Shareholder-Login".
- iv. Insert user ID and password as initial password noted in step above. Click Login.
- v. Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vi. Home page of e-Voting opens. Click one-Voting: Active E voting Cycles.
- vii. Select "EVEN" of California Software Company Limited.
- viii. Now you are ready for e-Voting as Cast Vote page opens.
- ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

- x. Upon confirmation, the message "Vote cast successfully" will be displayed.
- xi. Once you have voted on the resolution, you will not be allowed to modify your vote.
- xii. For the votes to be considered valid, the institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at vijaysl@calsoftgroup.com with a copy marked to evoting@nsdl.co.in

B. In case a member receives physical copy of the Notice of AGM (For members whose email IDs are not registered with the Company/Depository Participant(s) or requesting physical copy)

- a. Initial password is provided as below/at the bottom of attendance Form.

R EVEN (Remote- e Voting Event Number)	(i) USERID	PASSWORD/PIN

Please follow all steps from Sl. No. (ii) to Sl. No.(xii) above, to cast vote.

b. General guidelines for Members

- i. Corporate Members intending to send their authorized representative to attend the Meeting are requested to send to the Company a certified copy of the board resolution (together with the respective specimen signature), pursuant to Section 113 of the Companies Act, 2013, authorizing their representative to attend and vote on their behalf at the meeting.
- ii. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
- iii. A Member can vote either by remote e-Voting or at the AGM. If a Member votes by both the modes, then the votes cast through remote e-Voting shall prevail and the votes cast at the AGM shall be considered invalid.
- iv. The voting rights of the Members (for voting through remote e-Voting or by Ballot paper at the AGM) shall be in proportion to their share of the paid-up equity share capital of the Company as on 23rd September 2019 ('Cut-Off Date').
- v. Any person who acquires shares of the Company and becomes a Member of the Company after the dispatch of the AGM Notice and holds shares as on the cut-off date, i.e. 23rd September 2019, may obtain the login Id and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you have forgotten your password, you may reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com.

D. Other instructions

- a. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com
- b. If you are already registered with NSDL for e-voting, then you can use your existing user ID and password for casting your vote.
- c. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- d. The e-Voting period commences on Friday, the September 27, 2019 (10:00am) and ends on Sunday, September 29, 2019 (5:00pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 23, 2019, may cast their vote electronically. The e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it.
- e. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-Voting period/unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- f. The Results shall be declared on or after the Annual General Meeting of the Company and shall be deemed to be passed on the date of Annual General Meeting. The results along with the Scrutinizer's Report shall be placed on the website of the Company www.calsoftgroup.com and www.calsof.com within 2 days of passing of the resolutions at the Annual General Meeting of the Company and shall be communicated to BSE Limited and National Stock Exchange of India Limited.

All documents referred to in the accompanying Notice and the Explanatory Statements are open for inspection at the Registered Office of the Company between 10.00A.M. and 1.00 P.M. on working days from September 22, 2019 up to September 29, 2019.

Affixing statement under Section 102(2) of the Companies Act, 2013 is applicable, since special business is proposed to be transacted at the Annual General Meeting.

Details of Directors seeking appointment/ re-appointment at the AGM [Pursuant to Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standard - 2 on General Meetings]

Name of the Director	Mr. Vasudevan Mahalingam	Ms. AVN Srimathi	Mr. M. Sampath
Director Identification Number (DIN)	01608150	08328823	08449699
Date of Birth and Age	29/04/1967 (52 Years)	24/08/1969 (50 Years)	10/06/1953 (66 Years)
Nationality	Indian	Indian	Indian
Date of first Appointment on Board	12/08/2016	May 10, 2019	May 10, 2019
Qualification	M.Pharm and Ph.D	MA., M. Phil	B. Com
Expertise in specific functional areas	He has over 28 years of professional experience in the global technology sector, thereby gaining rich experience in consulting engagements and management of large-scale technology programs as well as operations.	Advisory boards for several non-profit organizations, venture capital firms and high-tech start-up companies.	Has extensive experience in the areas of business in which the Company is operating.
Terms and conditions of appointment /reappointment	Appointed as Managing Director for a period of five years and liable to retire by rotation	Appointed as an Independent Director for a period commencing from 10 th May 2019 to 9 th May 2024 (refer item no.4 of the notice and explanatory statement)	Appointed as an Independent Director for a period commencing from 10 th May 2019 to 9 th May 2024 (refer item no.4 of the notice and explanatory statement)
Details of remuneration last drawn	NIL	N. A	N. A
Number of Board meetings attending during the year	7	Nil	Nil
Relationship with other Directors and KMP's	Spouse of Manimala V, Executive Director	Nil	Nil
Shareholding in the Company	39.92%	Nil	Nil
List of Directorship held in other Companies (excluding foreign, private and Section 8 Companies)	NIL	NIL	NIL
Memberships/Chairmanships of Audit and Stakeholders Relationship Committees across Public Companies.	NIL	NIL	NIL

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (“Act”)

As required under Section 102 of the Companies Act, 2013 (“Act”), the following explanatory statement sets out all material facts relating to business mentioned under Item Nos. 3 to 4 of the accompanying Notice:

Item No. 3: Appointment of Ms. AVN Srimathi as an Independent Director of the Company

Ms. AVN Srimathi who was appointed as an Independent Director of the Company with effect from May 10, 2019 to hold office up to the date of this Annual General Meeting in terms of Section 161(1) of the Act.

The Company received a notice from a Member under Section 160 of the Companies Act, 2013, signifying his intention to propose the candidature of Ms. AVN Srimathi (DIN :08328823) for the office of Independent Director of the Company. Ms. AVN Srimathi, aged 50 years is MA, M. Phil., and has an extensive experience in the areas of business the Company is operating and serves on advisory boards for several non-profit organizations, venture capital firms and high-tech start-up companies. The other details of Ms. AVN Srimathi in terms of Regulation 36(3) of the Listing Regulation and Secretarial Standard 2 is annexed to this Notice. Ms. AVN Srimathi is not related to any Director of the Company.

In terms of proviso to sub-section (5) of Section 152, the Board of Directors is of the opinion that Ms. AVN Srimathi fulfils the conditions specified in the Act for her appointment as an Independent Director. After taking into consideration the recommendation of the Nomination & Remuneration Committee, the Board is of the opinion that Ms. AVN Srimathi’s vast knowledge and varied experience will be of great value to the Company and has recommended the Resolution at Item No.4 of this Notice relating to the appointment of Ms. AVN Srimathi as an “Independent Director”, not liable to retire by rotation for a period of five consecutive years w.e.f. May 10, 2019 to May 09, 2024, for the your approval.

Ms. AVN Srimathi has given a declaration to the Board that she meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI Listing Regulations. The Company has also received: -

- a. the consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014 and
- b. Intimation in Form DIR-8 pursuant to Companies (Appointment and Qualification of Directors) Rules, 2014 that she is not disqualified under section 164(2) of the Companies Act, 2013.
- c. A declaration to the effect that she meets the criteria of independence as provided Section 149(6) of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that she is not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India (SEBI).

As an Independent Directors shall be entitled to sitting fee for attending Board/ Committee meetings and commission, if any, paid in terms of the provisions of the Act.

The terms and conditions of his appointment are available for inspection and also place on website of the Company.

The Board recommends the Resolution at Item No. 3 of this Notice for approval of the Members. Except Ms. AVN Srimathi and her relatives, none of the Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, in the Resolution set out at Item No. 3 of this Notice.

Item No. Appointment of Mr. M. Sampath as an Independent Director of the Company

Mr. M. Sampath (DIN 08449699) who was appointed as an Independent Director of the Company with effect from May 10, 2019 to hold office up to the date of this Annual General Meeting in terms of Section 161(1) of the Act.

The Company received a notice from a Member under Section 160 of the Companies Act, 2013, signifying his intention to propose the candidature of Mr. M. Sampath (DIN 08449699) for the office of Independent Director of the Company. Mr. M. Sampath, aged 66 years is commerce graduate and has an extensive experience in the areas of business the Company is operating. The other details of Mr. M. Sampath in terms of Regulation 36(3) of the Listing Regulation and Secretarial Standard 2 is annexed to this Notice. Mr. M. Sampath is not related to any Director of the Company.

In terms of proviso to sub-section (5) of Section 152, the Board of Directors is of the opinion that Mr. M. Sampath fulfils the conditions specified in the Act for her appointment as an Independent Director. After taking into consideration the recommendation of the Nomination & Remuneration Committee, the Board is of the opinion that Mr. M. Sampath's vast knowledge and varied experience will be of great value to the Company and has recommended the Resolution at Item No.4 of this Notice relating to the appointment of Mr. M. Sampath as an "Independent Director", not liable to retire by rotation for a period of five consecutive years w.e.f. May 10, 2019 to May 09, 2024, for the your approval.

Mr. M. Sampath has given a declaration to the Board that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI Listing Regulations. The Company has also received: -

- a. the consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014 and
- b. Intimation in Form DIR-8 pursuant to Companies (Appointment and Qualification of Directors) Rules, 2014 that she is not disqualified under section 164(2) of the Companies Act, 2013.
- c. A declaration to the effect that she meets the criteria of independence as provided Section 149(6) of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that she is not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India (SEBI).

As an Independent Directors shall be entitled to sitting fee for attending Board/ Committee meetings and commission, if any, paid in terms of the provisions of the Act.

The terms and conditions of his appointment are available for inspection and place on website of the Company.

The Board recommends the Resolution at Item No. 4 of this Notice for approval of the Members. Except Mr. M. Sampath and her relatives, none of the Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, in the Resolution set out at Item No. 4 of this Notice.

By order of the Board

For California Software Company Limited

Dr. Mahalingam Vasudevan
Managing Director

Chennai
August 14, 2019

Registered Office:

California Software Company Limited,
2nd Floor, Unit 9, STPI Building,
5 Rajiv Gandhi Road,
Taramani, Chennai 600113

Dear Shareholders,

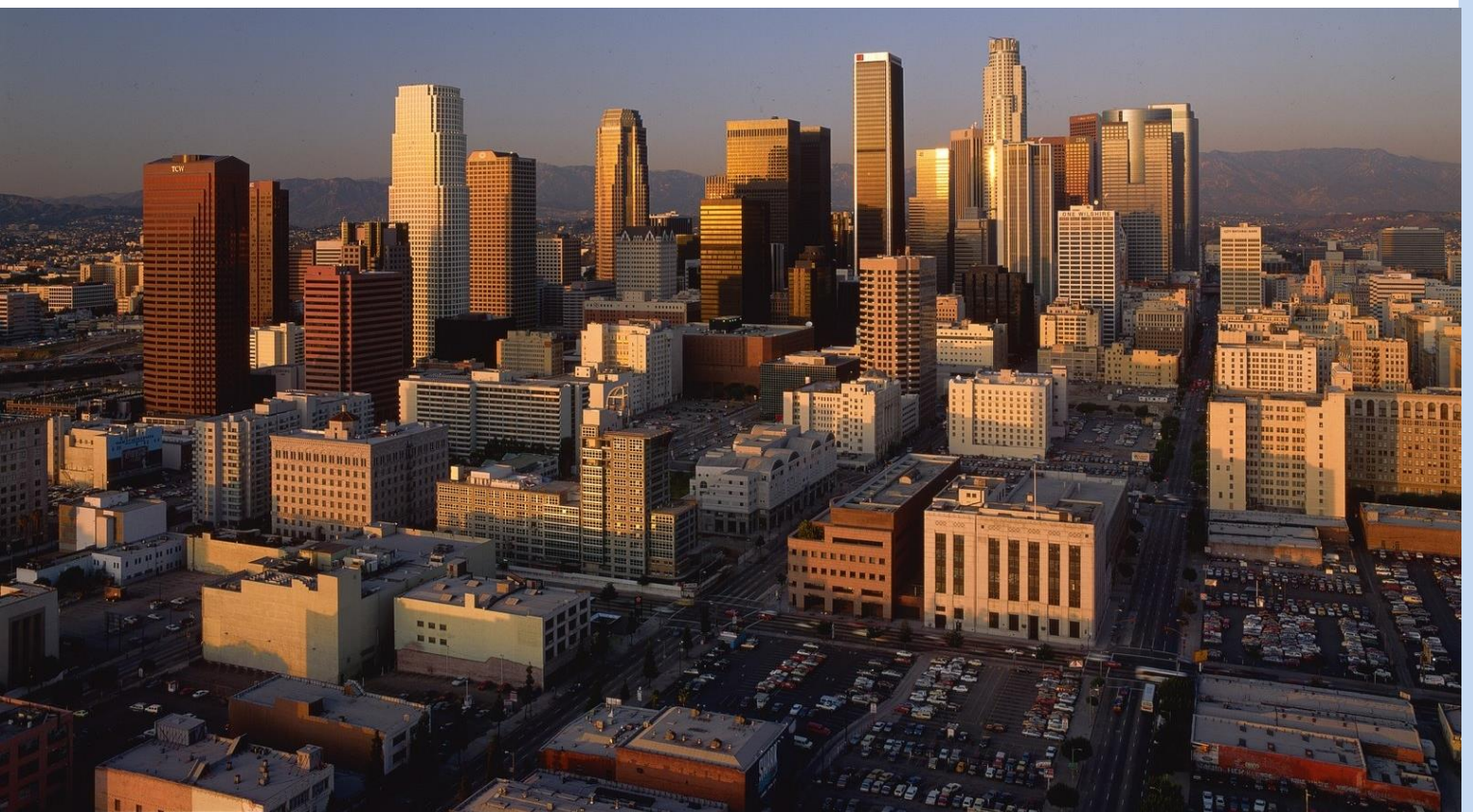
We are presenting our Report on the Business and Operations of your company and its working results for the Financial Year 2018-19.

INDUSTRY OVERVIEW

We live in an innovation driven world where traditional business and technology approaches no longer provide companies with a lasting competitive edge. Exponential advances across technologies innovations like cloud computing, artificial intelligence, machine learning, robotics, IoT, augmented and virtual reality would continue to transform every aspect of human life. The association of these technological innovations creates a cyber-physical environment that results in completely rethinking the way assets and industrial processes work. The industry of the future will be an industry in the era of the digital revolution, capable of producing more smartly, more efficiently, more quickly, more safely, and more cleanly.

Tomorrow's organizations have already started moving closer to people's lives, focusing on a human-centered, end-to- end **Digital Transformation**. In doing so, these enterprises are achieving new levels of growth, and in the process, redefining the very role of the enterprise in our societies.

Artificial intelligence (AI) become core to business transformation in 2019, especially smart machine learning algorithms and advanced robotics. AI adoption will strengthen further, with smart, autonomous machines leveraging the new technology to perform tasks traditionally accomplished by humans. Drones and autonomous cars will continue transforming supply chains and logistics. Enterprises that can optimally leverage the power of such disruptive technologies will gain a competitive advantage across business functions. The growth of augmented analytics, expected to represent the third major wave for data and analytics, will be a crucial determinant in this direction, with over 40% of data science tasks projected to be automated by 2020.



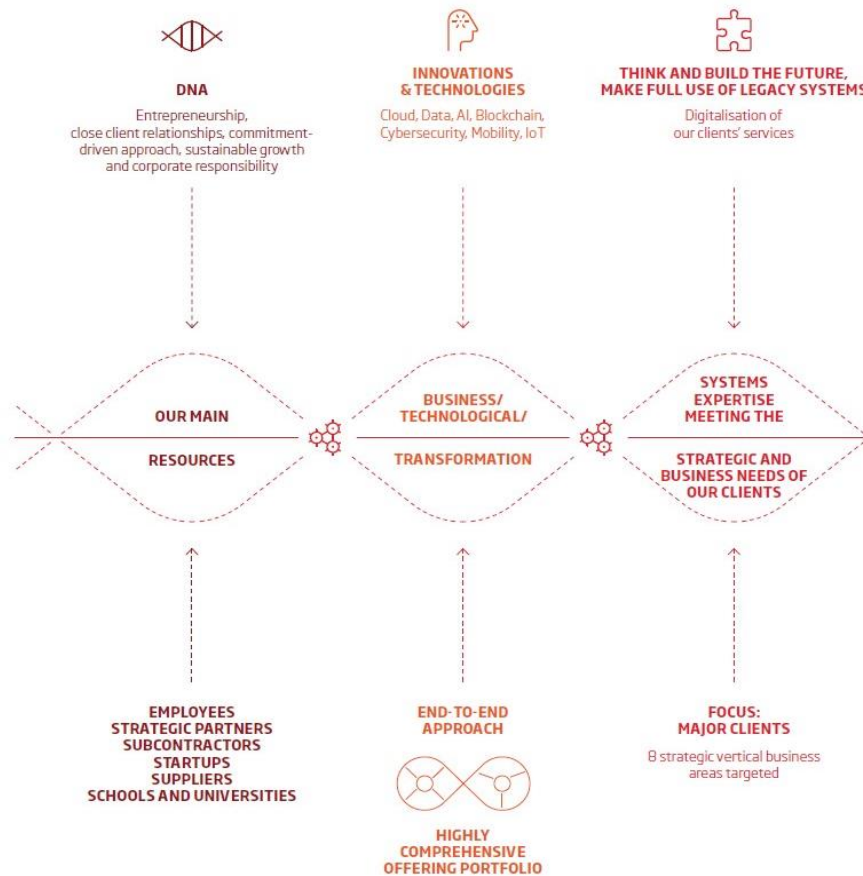
CALSOFT BUSINESS LANDSCAPE

Calsoft recognized that the technology revolution would significantly disrupt companies and entire industries globally. Calsoft began moving aggressively and strategically to further differentiate - Calsoft in the new digital world— to help clients disrupt rather than be disrupted, and to capture new growth opportunities in a very competitive environment.

Today, Calsoft business is focused on providing end-to-end capabilities at scale across the full spectrum of professional services—spanning strategy, consulting, digital, technology and operations. By combining calsoft’s capabilities across these businesses, Calsoft uniquely positioned to drive large-scale transformation for clients by delivering **cutting-edge technology** solutions and running operations—providing an unmatched capability to integrate services and commit to tangible client outcomes

Calsoft’s value chain works across the company’s industry-aligned business segments, are:

- **Calsoft Digital Business**, which helps clients apply digital technology to transform their products and customer experiences, driving new levels of revenue growth and customer satisfaction.
- **Calsoft Digital Operations**, which helps clients infuse their business processes with agility, intelligence, and automation.
- **Calsoft Digital Systems and Technology**, which enables clients to build the adaptive, cloud-enabled, secure, and efficient technology backbone needed to run a modern digital enterprise.



DIGITAL TRANSFORMATIONS

Calsoft focused on developing Digital and Analytics services, Big data analytics, Machine Learning, Cloud Computing, digital engineering and connected products, artificial intelligence (AI) and analytics, intelligent process automation, industry and platform solutions, and interactive customer experiences.

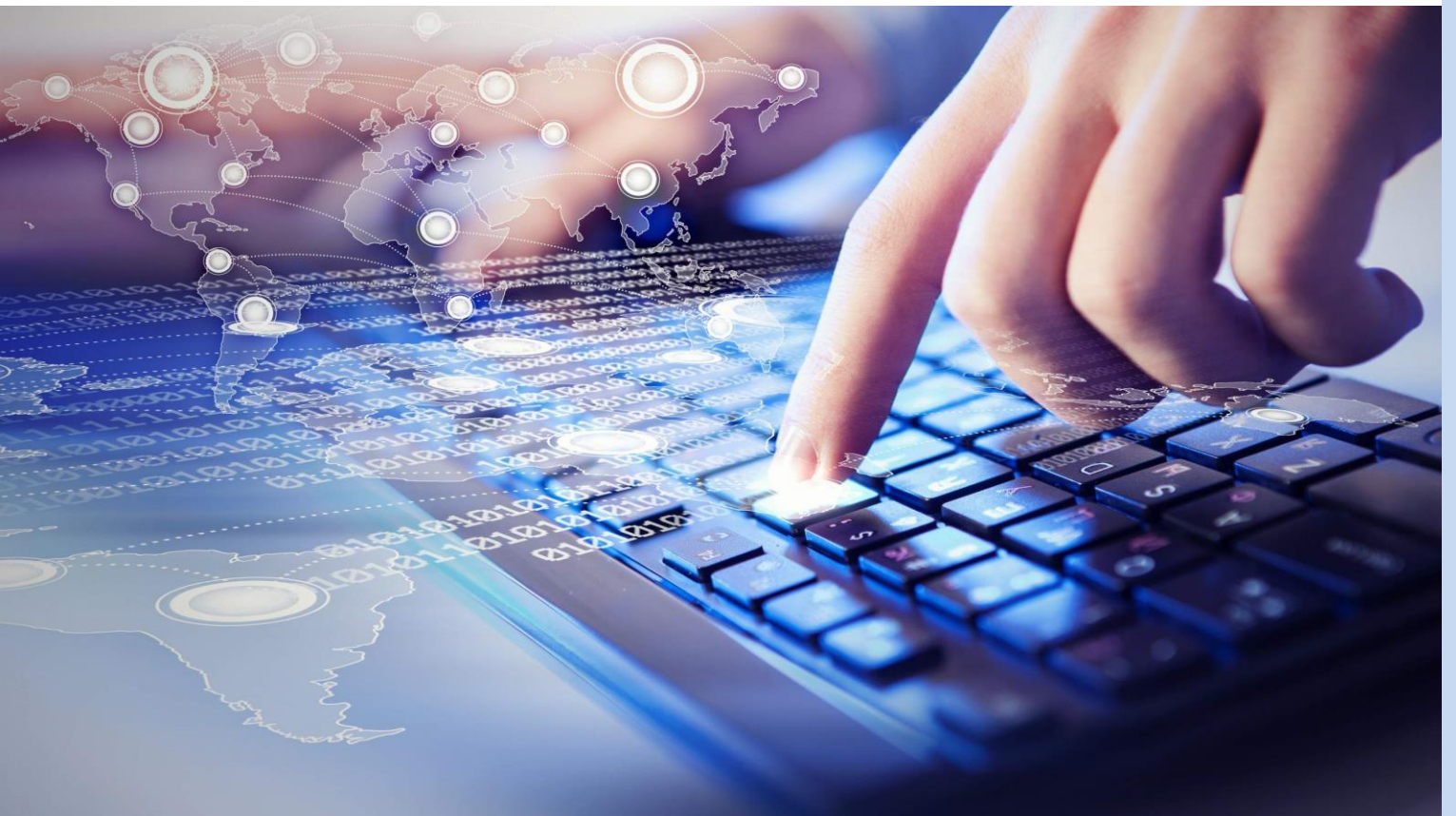
DIGITAL AND ANALYTICS SERVICES

Calsoft's Digital & Analytics (D&A) services continues to build on its leadership position in driving digital transformation through scale execution for our enterprise customers. This year, Digital & Analytics continued its growth across all industry verticals and geographies. The growth is driven by the robust trend of enterprises across industries moving beyond **digital transformation proof of concepts** (POCs), and by adopting scale digital for wider impact on their customer engagement and operational efficiencies.

We have introduced and enhanced several industry/domain specific capabilities this year, including,

- Cognitive procurement solutions for calsoft's E Commerce applications.
- Data science model manager platform to ease and accelerate the adoption of data solutions.
- New competencies in Agile and Organization Change Management.
- Machine Learning-driven Fraud Detection solutions for the Insurance Industry.
- Zero Touch KYC solutions for the Financial Services industry.

Digital & Analytics within Calsoft as successfully geared up the internal organization through a focused reskilling and up skilling program to equip our practitioners with the skills necessary to participate in and drive **next-gen digital transformation** programs.



BIG DATA ANALYTICS

Big data analytics examines large amounts of data to uncover patterns, relations and insights for future decisions. The concept of big data has been around for many years. In the past, it is time consuming to gather information, run analytics and unearth information that could be used for future decisions. With today's technology, it's possible to analyze data and get insight from it in short period of time. The most remarkable benefit of big data analytics is efficiency. With big data analytics, we can identify insights for immediate decisions, with cost reduction, faster and better decision and ability to identify new opportunities.

Data analytics might be useful to different types of companies such as travel and hospitality, health care, government, retail and ecommerce etc. Several types of technology work together to get the most value from the data. With data mining software, we help our clients to examine large amounts of data to discover the pattern, get the most relevant information to assess likely outcomes and accelerate to get the informed decision.

Calsoft's Predictive analytics, which use data, statistical algorithms and machine-learning techniques to identify the likelihood of future outcomes based on historical data. It's all about providing a best assessment on what will happen in the future, so our client can feel more confident that they're making the best possible business decision.



MACHINE LEARNING - While artificial intelligence (AI) is the broad science of mimicking human abilities, machine learning is a specific subset of AI that trains a machine how to learn. With data analytics and pattern recognition, there's a theory that computers can learn without being programmed to perform specific tasks; researchers are interested in artificial intelligence and wanted to see if computers could learn from data. The iterative aspect of machine learning is important because when the models are exposed to new data, they can independently adapt. They learn from previous computations to produce reliable, repeatable decisions and results.

CLOUD COMPUTING

Cloud computing solutions and cloud services enable enterprises increase revenue by saving time and costs or adding value to end customers. Calsoft offers cloud services such as PaaS (Platform as a service) and SaaS (Software as a Service), including consulting, system design and development, implementation, maintenance and support. The services are available on demand and the flexible business model helps enterprises to respond dynamical operation challenges.

Cloud Migration, Consulting and Operation Services

The company has been carrying out technical services including light cloud migration, independent host migration, data backup, data transfer and system configuration. Cloud computing helps to simplify IT, push innovation, increase returns on IT investments, and increase efficiency in operations. The company entered into a strategic agreement with Indian cloud computing companies, to provide cloud consulting and customized services. Innovation is treated as a standard today, including rich social experience, mobile payment, friendly user interface, structured and unstructured instant search data and regularly and upgrade without interference.

Cloud Identity, Mobile and Management

Identity management improves end-user productivity and secures access to cloud, mobile, and on-premises apps via single sign-on, user provisioning and multi-factor authentication. Manage apps, mobile devices and web portal via Active Directory, Single Sign-on (SSO) for Cloud and mobile apps can provide a one click access to users' cloud, mobile and on-premises apps. Forgotten passwords and user confusion will be eliminated. Our Identity Service provides turnkey SSO access to thousands of popular apps.



INDUSTRY VERTICALS

The company's big data, Artificial Intelligence, sales channel management and marketing support have a clear market leading position. For securities business, the company has established technological advantages in important and innovative fields such as the formulation of industry data standards, core clearing, bills and interest rate swaps, next-generation transaction monitoring, risk control, and big data infrastructure, and supporting data management and control.

SOFTWARE AND INTERNET

Next-generation, data-driven, cloud-native companies innovate faster and are beating you to market. They empower their engineering teams to learn quickly and make decisions fast. They attract the best and brightest. Calsoft is experienced in developing IoT solution with devices, mobile app and cloud platform for different purpose and industry. From data analysis, UI design, application development to SQA testing, we offer a one-stop solution to clients and helping the clients to launch their product carefree.

The company focuses on services such as application software development, system maintenance and system optimization. The company's service teams in application environments such as mainframe computers, client servers, internet and mobile internet, as well as a variety of platform software programs including various mainframe system, Windows series, Linux/Unix and Android, Symbian, iPhone OS, etc. Many enterprises are beginning to turn towards mobile application usage as mobile technology improves. Corporations can now take full advantage of mobile devices by creating custom applications for their employees that enhances communication effectiveness and maintains market competitiveness.

Calsoft experienced in developing software incorporating many internet technologies, including Web Services, XML, AJAX, ASP.NET, as well as J2EE on Windows platforms and iOS platforms and also experience with USB device handling and interface (mass storage, barcode readers, etc.), Flash/Director application programming based on Macromedia, graphical user interface design and integration, software updates and digital rights management, C/C++, C#, Objective C, Kerberos, LDAP, SSPI, and MMC supported platforms. Our products are compatible with Windows, Apple Mac OS X, Linux, Sun Solaris 9, 10, HP-UX, IBM AIX, along with more than 190



kinds of popular platforms, with multi-language support development.

LIFE SCIENCES INDUSTRY- THE NEXT GENERATION OF HEALTHCARE

Increased regulations aimed at improving patient outcomes have made compliance a hot-button issue, while scientific advances coupled with new digital technologies drive the shift towards a more patient-centric model. Strong cost and pricing pressures, increased demand for innovation and demonstrated value, need to focus on patient engagement, and an ever-changing regulatory and risk environment are part of the shifting landscape facing life sciences companies. Quality and regulation issues have become paramount, while biotech and smart health solutions offer rich new potential for growth.

Life Sciences and Pharmaceutical companies must develop real-world evidence capabilities to demonstrate value, adapt to patient-centered models through advancements in technology and enhanced collaboration within the Healthcare ecosystem.

Through the Internet of Things era, healthcare devices are getting smarter and connected. Most importantly, they are getting less expensive and affordable in the recent years. With the rich experience in building cloud-based software solution and integrating with hardware devices. Calsoft developed an integrated smart healthcare solution for elderly and improves the quality of life by letting them stay at home and stay healthy.

Our end-to-end Implementation services include:

- Consulting
- Implementation and Customizations
- Integrations
- Data migration
- Data warehousing and Analytics
- Application Development Maintenance, administration and support



Hosting and Managed services on the following applications:

- Argus Safety Suite and Adverse Event Reporting System (AERS)
- Oracle Clinical / Remote Data Capture (RDC) /
- Thesaurus Management System (TMS)
- Oracle Inform EDC / Central Designer / Central Coding
- Life Sciences Data Hub (LSH)
- Oracle Data Management Workbench (DMW)
- Oracle Clinical Development Analytics (CDA)

FINANCE & PUBLIC SECTOR INDUSTRY - ENTERING A NEW ERA OF TRANSFORMATION

The financial services industry is entering an era of transformation shaped by three major factors: heavy regulation, subdued profitability and increased competition. The financial services industry will have to make significant investments in digital and leading-edge technologies to comply with regulations, compete with Fintech companies and deliver competitive return to shareholders. A great challenge.

Besides doing application and Apps development for finance company, we provided a total SQA testing solution to insurance companies. Calsoft provide SQA service on functionality and performance test on web portal, mobile Apps and related core system in different development stages.

MOBILE INDUSTRY

Mobile application together with a web platform can serve an enterprise in various ways. Calsoft is experienced in software development and SQA Testing for consumer electronics and mobile products. Calsoft is capable to develop applications which enable interaction of PC, mobile and the product via different connection such as USB, Bluetooth LE etc. We have an internal design team and able to offer UI design service. All applications can be tailor made to best fit client's purpose. For unexperienced clients, we will provide consulting sections and help customers define what they wish to achieve and fully understand the feasibility, cost and outcome.

TELECOM & MEDIA INDUSTRY - NEW REVENUE STREAMS IN A CONNECTED WORLD

Vertically integrated business models are a thing of the past. In the competitive new telecom ecosystem, customers are forcing operators to boost network capacity and connectivity. Traditional telecoms operators are at a crossroads. On the one hand, they have seen new OTT services develop lucrative new markets using their networks without sharing the corresponding economic gains. On the other, the cost of maintaining those networks will soon be multiplied with the deployment of the new 5G standard and IoT support. Increasingly, industry players are seeking to develop additional revenue sources in the unfamiliar domain of applications and software services.

AUTOMOTIVE INDUSTRY - AUTOMOTIVE INDUSTRY AT A TURNING POINT

In the face of new driver behavior, diverse powertrain technologies, stricter environmental regulations and a booming demand for connectivity, automotive players need to reinvent their role - focusing on core activities and creating efficient eco-systems with strategic partners.

The automotive industry is facing a revolution. New players are entering the car market, empowered by innovative and disruptive technologies. Younger generations with different expectations are fostering new business models and drive an extreme differentiation of the product portfolio with a multiplication of vehicle variants. Meanwhile, stricter environmental and safety regulations are imposing significant new investments on manufacturers. This requires new technology breakthroughs such as electrification of powertrains and new electric/electronic architecture.

AERONAUTICS INDUSTRY - ENABLING THE NEXT GENERATION OF AIRCRAFT

Aeronautics' leading players need to address their chronic production backlog and embrace the possibilities of digital technologies. Altran deep cross-industry excellence enables them to tackle their R&D, production and business challenges.

In this rapidly evolving environment, players need to address a wide range of challenges from the transition towards incremental development to the production ramp up issue and the development of new services. This fosters new approaches and new activities, calling for brand new skills.

ENERGY INDUSTRY - SMART VALUE CHAIN FOR SUSTAINABLE ENERGY

The power and utilities industry must invest in cleaner energy sources, optimize assets and client interaction and capture value from the digital disruption. Equipment manufacturers need to adapt their product portfolios and geographic reach, while improving operational efficiencies.

Low oil prices have led to limited exploration and production in Oil and Gas and impacted the revenues of traditional producers. Attention is increasingly turning to renewable sources like wind and solar. At the same time, nuclear investments are increasing across the globe – both in terms of new installations and the huge potential market in decommissioning. Meanwhile, digital transformation is disrupting the entire Energy value chain and challenging players to improve performance and generate new revenue streams.



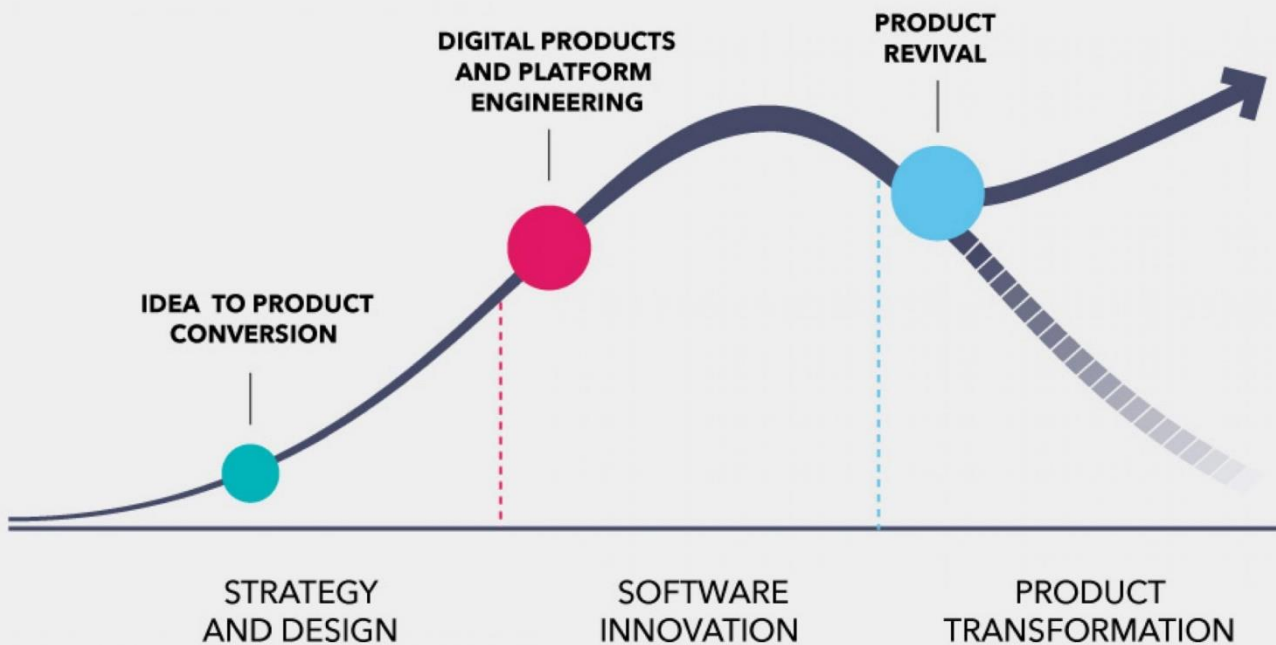
INDUSTRIALS & ELECTRONICS INDUSTRY -PREPARING THE NEXT INDUSTRIAL REVOLUTION

To achieve new growth, industrials and electronics' players need to invest in new technologies and boost their competitive advantage to reclaim market share from their rivals. In a fiercely competitive environment, we help you come out a winner. Industrials and Electronics are entering a new age, driven by IoT and global connectivity. All industries are now adopting Industry 4.0 capabilities – like automation, robotics and 3D printing – while Big Data and Analytics offer new potential for improving quality, reducing costs and boosting competitiveness. In high-tech, the western economies provide the front end for an industry whose back office now extends right across the planet.

PRODUCTS AND PLATFORMS

Our products and platforms strategy involve a combination of organic and inorganic IPs, along with partnership led innovations. We continue to see client needs for product and platforms that automate operations and drive agility, solve business challenges end to end through flexible investment models, create value out of data and protect technology investments. Calsoft continues to look out for opportunities to grow this portfolio to create a complete suite of offerings in the chosen areas.

The large-scale deployments of these products provide us with a great opportunity to reach and serve thousands of global enterprises across a wide range of industries and markets. Products and Platforms continues connecting the dots between the existing strengths while looking beyond tomorrow and aligning with the trends shaping the future. We are building a world-class software products business, committed to bringing speed, insights, and innovations to create enduring value for our customers. The details are mentioned below.



CLPM - LOYALTY BUSINESS MANAGEMENT

Increasing competition in all industries has led to loyalty programs becoming increasingly significant. CLPM is a unique IT Platform for management of a successful loyalty program. It contains all modules required for a next generation loyalty program and brings long-term profitability to an organization.

CsIoT – Internet of Things

CsIoT, the dedicated Internet of Things (IoT) business unit of CALSOFT enables organizations to maximize effectiveness, and returns on their asset investments by co-creating best-in-class IoT driven solutions. These solutions help our customers drive business transformation by creating efficient processes, new revenue streams and effective models that deliver measurable outcomes.

At Calsoft we believe that the transformative impact of IoT is realized by IoT-izing the dark 'things', connecting the assets to a 'data' platform, and then using the data to derive actionable business 'insights'. This is followed by business decisions that ultimately lead to a change in enterprise's 'processes and people practices'.

CsIoT provides end-to-end IoT services for organizations across three phases, Define-Build-Run by helping organizations design enterprise IoT strategy, develop and run the IoT systems for realizing real business value. CsIoT is Calsoft's next-gen innovation space to co-create an IoT-led transformation roadmap with Clients.

Each roadmap is custom-created to solve a business challenge, and results in key business outcomes like increased productivity, minimized inefficiencies, creation of new revenue streams and innovative business models.



CsDigital: “Share the Same Boat”

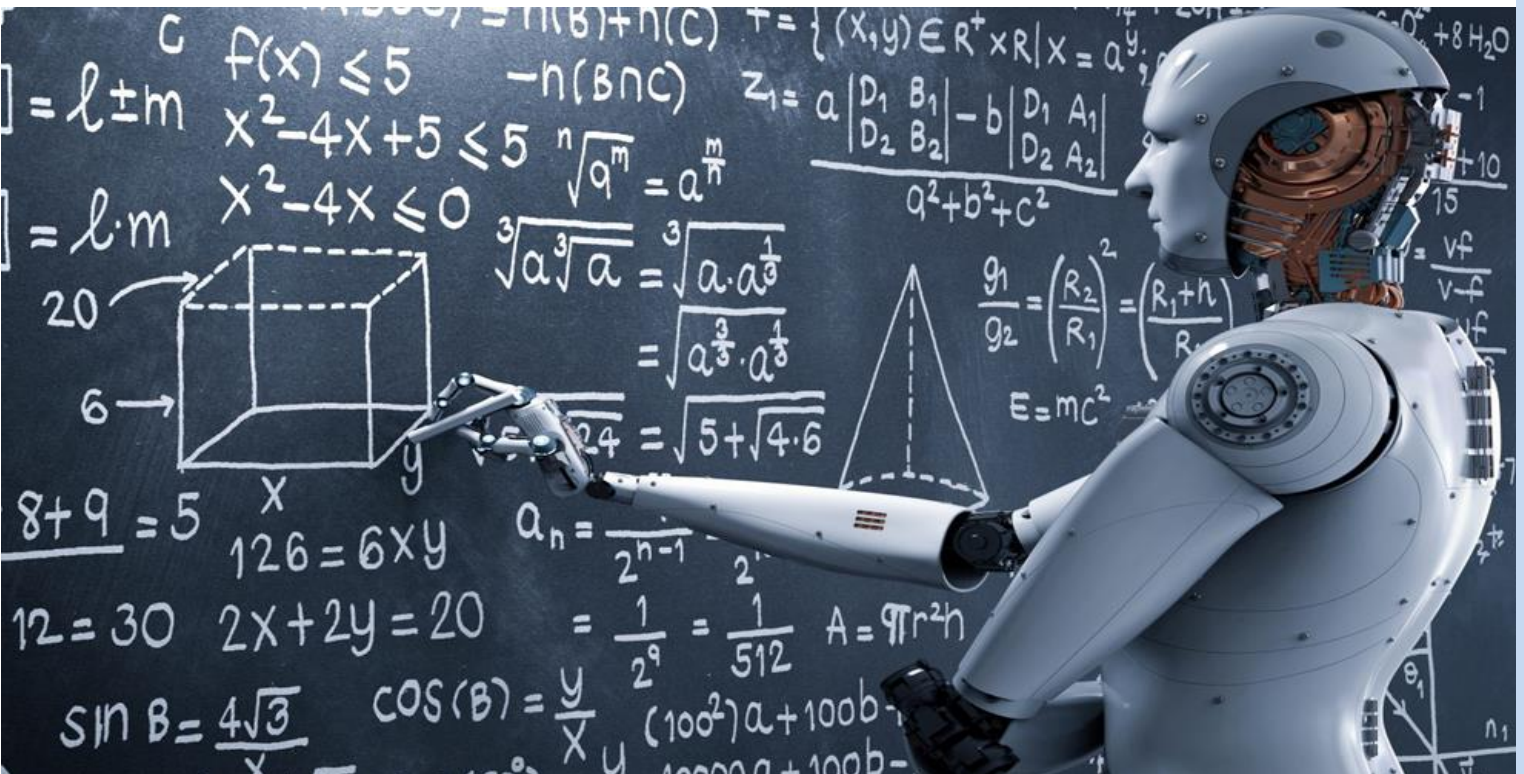
The emergence of the CsDigital platform aims to ease the software-driven enterprise transformation and promote industry upgrading. CsDigital provides an alternative delivery model than the traditional ITS delivery model. During the delivery process, CsDigital helps the vendor and the buyer to find a satisfactory price. CsDigital is integrating the idea of shared economy and crowd sourcing into the ITS market.

The company pushed out the cloud software parks and used CsDigital as its vehicle to expand new industries, provide new services, and bring in new technologies and ideas. There are many paths to cloud adoption. However, to gain the efficiency, scalability and agility required to drive innovation, organizations need an anchor partner with cloud-first experience. From selecting the right cloud vendors, cloud architecture, to cloud security solutions, CsDigital provides the full spectrum of cloud strategy services required to design, deploy and manage cloud environments.

CsDigital works closely with clients to understand their complete business environment. We build a framework for cloud approaches (public, private, and hybrid), cloud types, reference architectures, security policy and cloud management platform. With the help of our strategic partnerships, we assess current state of applications and infrastructure and recommend the most efficient and optimal to-be state.

This new model will be an O2O model (Online to Offline) running on platforms and sharing, leasing, research and development, and other services that are based on the Cloud. Calsoft plan to launch CsDigital Software Park in Indian cities such as Chennai, Mumbai, Pune and Bangalore and as well as globally, Middle East, USA, Canada and Europe.

By 2020, Calsoft envisages to achieve 10-time growth in this field. The goal is to “share the same boat” with technology driven companies and continue to improve end customers’ satisfactions.



CsBigData “Breakthrough in Bottlenecks”



As the data application demand and requirements from enterprises are increasing, the Big data and analytical market will grow from USD130 Billion to USD203 Billion from 2016 to 2020.

In the Artificial Intelligence, Blockchain and Bigdata driven decision makings are bringing cultural changes in the Global market.

In 2017, the Calsoft quickly established CsBigData and service team engaged in cross industry consulting and implementation methodology, end to end solutions there by helping the customers to Plan and design rational scientific Big data structures and operation risk control management.

In the future, CsBigData will continue to thrive in financial regulatory institute, banking, insurance, securities, transportation, logistics, energy, manufacturing, public security, healthcare, media and other fields. Technologically CsBigdata will be the company’s new growth engine.

As technologies improve, it is essential that by 2020 25% of the Digital’s GDP will be digital economy. Cloud computing is an important technology to help enterprises digitalize and thereby lowers enterprise’s operating costs significantly and increases enterprise’s managerial efficiency. Calsoft has been working on Cloud services since 2010 and has created a team of technical staffs. The company has launched its “intelligent manufacturing cloud” called CsCloud. CsCloud will help the manufacturers to realize a smart manufacturing transformation. In the next three years, the Calsoft will accelerate its push to help Indian manufacturers to achieve smart upgrade – “Sail on the Same boat

CsCLOUD “Sail on the same boat”



CLISAC - CLINICAL DATA MANAGEMENT APPLICATION

- Clinical Data Management team comprises of Data Managers, Quality Review personnel, Database administrators, Clinical programmers and Medical Coders. They have considerable experience having managed several projects for several Pharmaceutical and Biotech companies for Phase I to IV clinical trials.
- Our infrastructure includes Oracle Clinical Data Management System, MedDRA and WHODRUG for Coding, Crystal reports for report generation, WinNonlin for Pharmacokinetic Analysis. We also provide services for any client specific CDMS on an ASP model.
- Our production servers are hosted at a Level III data centre with redundant IT infrastructure such as power and internet connectivity, regular scheduled backups and disaster recovery.
- Our CDM services include:
 - CRF designing to capture Data based on Protocol
 - Robust database design and set up
 - Effective Validations for a smooth database closure
 - Meticulous manual review of data
 - Medical coding by appropriately trained medical personnel
 - Scheduled report generation to get a feel for Data quality

CLIDAC - Clinical Data warehouse and Analytics Console

Data warehousing

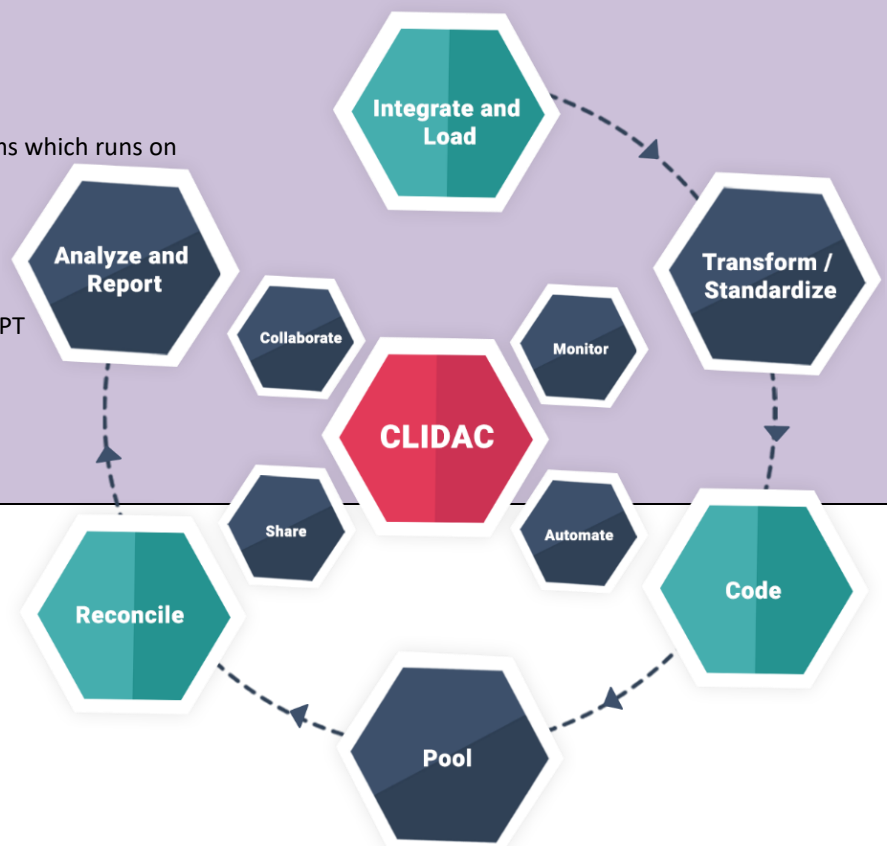
- Clinical Data warehouse and Analytics Console - CLIDAC is a secured, regulatory complaint Clinical Research Data Warehouse and Analytics System.
- CLIDAC provides solutions with fact-based insights into clinical trial data, in order to assist your organization making informed business decisions, thereby helping your organization in increasing productivity and developing drugs in an effective manner, at a faster pace.

CLIDAC helps in

- Standardization including SDTM transformation
- Safety monitoring and signal detection
- Single data storage for data mining and visualization

CLIDAC has out of the box integration capability to Connect and Load Data from

- Clinical Systems
- Oracle Clinical / RDC
- RAVE
- Open Clinica
- Inform
- Safety Systems
- Argus
- ArisG
- Other Clinical or Safety Systems which runs on
- Oracle database
- SQL server database
- File based data such as
- Text / CSV
- SAS – SAS datasets, XPT and CPT



CASP - Conversation Assistance BOT with state of the art pretraining

(in association with TeamAI, teamai.in)

- ❖ CASP is a chat-based AI assistance system along with voice support for general purpose information retrieving, querying specific data from database and triggering scheduled tasks with Voice authentication.
- ❖ CASP is a modified Deep Neural architecture (BERT) open sourced by Google-research, which is trained on enormous text in understanding the context.

Aids in

- | | |
|--|---|
| <ul style="list-style-type: none"> ❖ Information Extraction, Conversational assistance. ❖ Retrieving stats and day to day progress from data base. | <ul style="list-style-type: none"> ❖ Triggering the repetitive processes. ❖ Securing information with voice authentication. |
|--|---|



Applications

- | | |
|--|--|
| <ul style="list-style-type: none"> ❖ Access Control <ul style="list-style-type: none"> ➤ Physical facilities ➤ Data and data networks information ❖ Transaction Authentication <ul style="list-style-type: none"> ➤ Bank wire transfers ➤ Fraud Detection ❖ Monitoring <ul style="list-style-type: none"> ➤ Remote time and attendance logging | <ul style="list-style-type: none"> ❖ Information Retrieval <ul style="list-style-type: none"> ➤ Customer information for call centers ➤ Audio indexing (speech skimming) ➤ Personalization ❖ Query solving in Call center <ul style="list-style-type: none"> ➤ Voice sample matching |
|--|--|

ARGCIC - PHARMACO-VIGILANCE APPLICATION

Patients' safety is given prime importance for ongoing medical support at the site. Serious Adverse Events and Adverse Drug Reactions are all monitored, documented and reported within the defined timelines. Our team consists of several Physicians and Doctorates in Pharmacology with experience in Pharmacovigilance practices for trials across a wide array of therapeutic indications.

- Providing medical monitoring/support to sites
 - Serious Adverse Event (SAE) Management
 - Assessment of Causality and Expectedness of Adverse and Serious Adverse Events
 - Preparation of Alert letters
 - Medical Writing Authoring of clinical study documents (Protocol, Investigators Brochure, Summary reports and Publications and authoring of medical communications
 - Our team consists of several Physicians and Doctorates in Pharmacology with experience in medical writing for trials across a wide array of therapeutic indications
-
- Argus Safety consulting and Implementation services
 - Implementation and customizations
 - Validation
 - Data Migration
 - Upgrade
 - Hosting / Cloud computing
 - Maintenance and Support
 - Oracle Partnership and Oracle Certified/Specialized team
 - ICSR Processing
 - Training



MANAGEMENT ANALYSIS AND DISCUSSION REPORT

Chronsrapper (in association with TeamAI, teamai.in)

- ❖ Chronscraper is an automated Data extraction tool used in structuring the data of PDF and scanned documents with advanced Image processing OCR (in hand written recognition) method followed by Deep Neural Architecture in segregating data.
- ❖ It will understand the pattern, posture and related key value features in data segregation with enough training data.

Helps in:

- ❖ Automated email and other information
- ❖ reading and scheduling the tasks with the info.
- ❖ Reading large number of documents in
- ❖ Limited time.
- ❖ Hand written text recognition.

Sale Order doc

Demo Inc.
123 High St
Palo Alto, CA 90122 USA

SALE ORDER

SALE NUMBER: 12345
SALE DATE: 3/3/2015

Ship from	Bill to	Ship to
Demo Inc. 123 Main Street	Fred James 250 Franklin Street Suite 800 Boston, MA 02110 USA	Fred James 250 Franklin Street Suite 800 Boston, MA 02110 USA

Product ID	Description	Packing	Quantity	List price	Discount	Unit price	Sub-total
10069	Red Polo Shirt		4	16.00	0.0%	16.00	64.00
10070	Blue Polo Shirt		1	4.00		4.00	4.00
10071	Green Polo Shirt		1	4.00		4.00	4.00
Total:							96.00

Fred will pickup on Wednesday *Private Note*

ProductID	Description	Quantity	List Price	Unit Price	Sub-total
10069	Red Polo Shirt	4	16	16	64
10070	Blue Polo Shirt	1	4	16	16
10071	Green Polo Shirt	1	4	16	16
Total					96

Application

Process Automation

Advanced Optical Character recognition

- Automating Sale order reading and exporting the data to data base.
- Data and data networks information
- Text recognition from images
- Hand written text recognition.

EYWA (in association with TeamAI, teamai.in)

EYWA is an AI assistant for Doctors, state of art technology that redefine the way people access healthcare. Now the doctors can have virtual consultations with laser focus that can improve patient care. It uses deep-learning methods to diagnosis disease for various use case. We Team AI, make preliminary diagnosis of various medical conditions simple and efficient in a click away. We indent to build our AI to save life around the world.

Eywa -Phenomena detection

Pneumonia accounts for 15% of all deaths of children under 5 years old, killing 808 694 children in 2017.

Our AI equipped with deep learning architecture for detecting the presence of pneumonia clouds in chest X-rays (CXR) images with higher accuracy which is very challenging and time-consuming task.

Eywa - Breast cancer detection

Breast cancer is the most common cancer in women worldwide, nearly 1.7 million new breast cancer cases were diagnosed in 2012.

With our evolving AI, even a greater exclusion of normal mammograms seems possible since the majority of the cancers with low risk scores were clearly visible for both black and white women.



Eywa helps in:

- Preliminary diagnosis
- Segmentation and Tracking the disease
- Evolving with the disease transitions
- Diagnosing med-citations with very low cost
- Easily accessible and reliable health care and capable of automating the tasks

YESHGEECOM - DIGITAL TRANSFORMATION OF E COMMERCE SOLUTIONS BY AI INTEGRATION

By 2020, more than 80 percent of Ecommerce applications would be integrated with AI. YeshGeeCom is an open and flexible framework to keep up with this growing list of emerging capabilities with AI integrations.

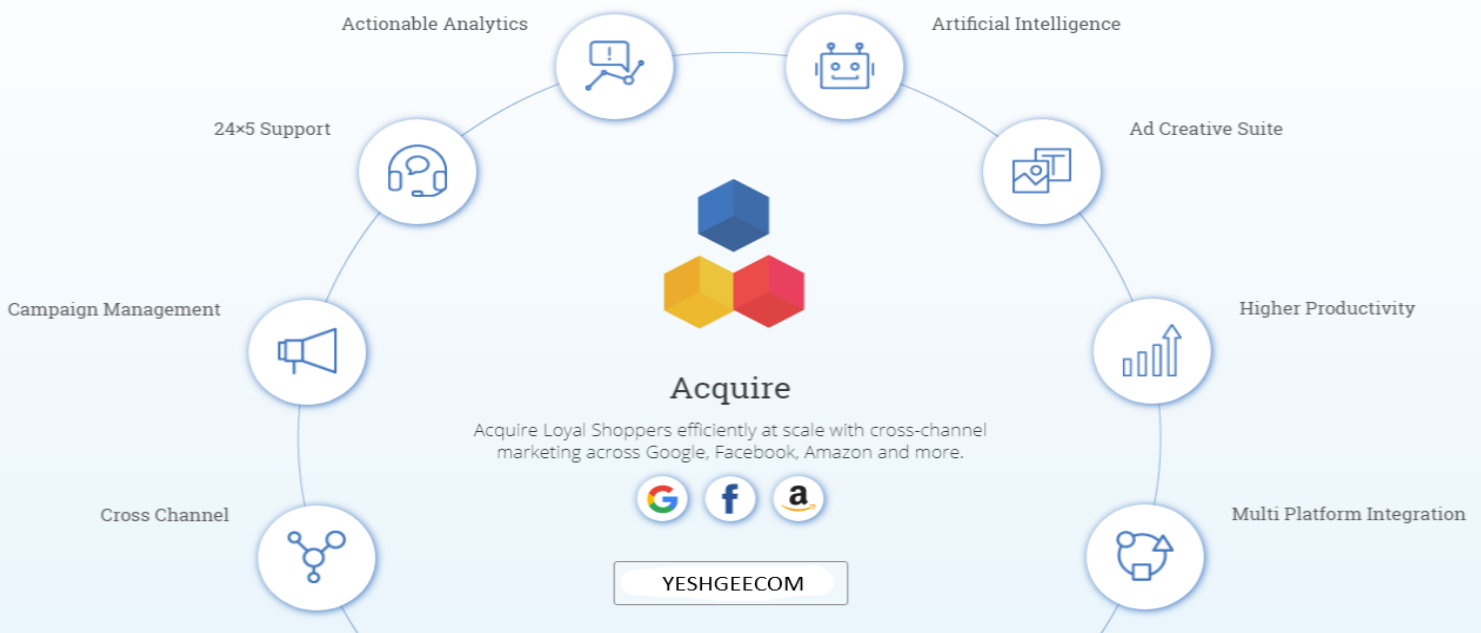
YeshGeeCom can be used to trade B2B (business-to-business) and B2C(business-to-customer) segments.

In B2B segment, more than 1.4 million international buyers, including 95 of the world's top 100 retailers, use their services to obtain product and company information to help them source more profitably from overseas supply markets. YeshGeeCom can manage B2B eCommerce sites for multiple brands, channel partners, or key accounts. Business to business customers can self-manage their company accounts and set up multiple tiers of buyers with specific roles and permissions. They can also track quotes, view detailed order histories, and manage their credit online, reducing the need to call for support.

We implemented major features step by step according to client's priority. The client wanted buyers and suppliers to communicate with the mobile app in their exhibition, so we implemented RFI (Request for information) and RFQ (Request for quotation) feature in the first phase, so the buyers could send enquiries and suppliers could send information/quotation to buyer directly through the mobile app. As a result, the client increased buyer and supplier stickiness to the system by providing to them an easy and efficient way to manage their enquiries/messages and thereby minimizing complaints, also a better tracking and market intelligence by obtaining more insights on the sourcing (buyer) and selling (supplier) behavior.

With issues like data control, privacy, and security top of mind, it's important to consider which deployment options best fit your business needs. You can choose from on-premise; commercial co-location; on cloud with AWS (direct); partner hosted; and fully hosted SaaS.

YeshGeeCom can assign custom catalogs and price lists to customers and target content and promotion to specific segments. Customize payment options to maximize sales and convenience with support for payments on account, credit cards and alternative payment methods.



MANAGEMENT ANALYSIS AND DISCUSSION REPORT

Smart Order Management and Inventory - Improve operations with a single solution for managing orders from all sales channels. Provide customers with accurate, real-time inventory from across your supply chain and use automated business rules to optimize your fulfillment costs and delivery times.

Friction-Free Ordering- Boost sales with fast and convenient purchasing options. Buyers can quickly place orders online by entering SKUs, uploading CSV files, or choosing items from pre-set requisition lists. Your sales team can assist customers by creating orders on their behalf and can quickly respond to online quote requests with a full set of quote management tools.

Engaging Experiences on All Devices - Create engaging, mobile-optimized experiences to empower your customers and sales staff to place orders on any device, at any time. And, increase sales with B2C-tested merchandising, content management, and promotional capabilities that differentiate your brand and make products stand out.

YeshGeeCom E Commerce platform can create authentic, localized brand experiences across multiple websites and handle day-to-day tasks with ease. Stage and preview content, and quickly customize your merchandising by location with drag-and-drop categorizing.

The vast global ecosystem ensures that you have expert local knowledge in any region. From 150+ language packs to local system integrators and regional extensions, can integrate almost any local business or custom system.



To the Members,

The Directors have great pleasure in presenting their 27th Report along with the audited financial statements for the financial year ended March 31, 2019.

FINANCIAL RESULTS

The financial results of the Company for the year ended 31st March 2019 are summarized below:

(All figures in lakhs, Except for EPS)

Details	Standalone		Consolidated	
	Year ended	Year ended	Year ended	Year ended
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Total Revenues	145.00	95.25	145.00	95.24
Total Expenses	78.60	41.03	78.60	41.65
Profit before exceptional and extra-ordinary items	66.40	54.22	66.40	53.59
Exceptional items	-	-	67.17	-
Profit before extraordinary items and tax	66.40	54.22	(0.77)	53.59
Profit before Tax	66.40	54.22		
Current Tax	19.90	10.00	19.90	10.00
Deferred Tax	-	-	-	-
Profit / (Loss) for the year	46.50	44.22	(20.67)	43.59
Minority Interest	-	-	-	-
paid up equity capital	1236.50	1580.00	1236.50	1580.00
Earning per share (EPS) for the year (Rs)				
i) Basic	0.38	0.36	(0.17)	0.35
ii) Diluted	0.38	0.36	(0.17)	0.35

COMPANY PERFORMANCE AND RESULTS OF OPERATIONS

Standalone Results

During the year, your Company on a standalone basis earned total revenue of Rs. 145 lakhs as against Rs. 95.25 lakhs earned during the previous year. The profit before tax during the year is Rs. 66.40 lakhs as against Rs. 54.22 lakhs of the previous year.

After taking into account the tax provisions and adjustments, the profit for the year was Rs. 46.50 lakhs as against a profit of 44.22 lakhs for the previous year.

Consolidated Results

During the year, your Company on a consolidated basis with all its subsidiaries earned total revenue of Rs. 145 lakhs against Rs. 95.25 lakhs earned during the previous year. The profit before tax during the year is Rs. 66.40 lakhs as against Rs. 53.59 lakhs for the previous year.

After taking into account the tax provisions and adjustments for minority interest, prior period adjustments and extraordinary items if any, the profit / loss for the year is Rs. (20.67 lakhs) as against a profit of Rs. 43.59 lakhs of the previous year.

DIVIDEND

The Board of Directors have decided to retain the entire amount of the profits for FY 2018-19 in the profit and loss account and hence, no dividend is being declared for this financial year.

SHARE CAPITAL

The Share Capital of the Company as of 31st March, 2019 stood at Rs. 15,87,58,060/- shares of Rs. 10/- each as below:

- a) 1,23,65,006 equity shares of Rs. 10/- each;
- b) 35,10,800 Optionally Convertible Redeemable Preference Shares of Rs. 10/- each

On 26.03.2019, 35,10,800 Optionally Convertible Redeemable Preference Shares (OCRPS) convertible into equivalent number of Equity Shares of the Company at an Issue price of INR 100/- per OCRPS were allotted to Chemoil Advanced Management Services Private Limited on preferential basis, pursuant to conversion of unsecured loans into OCRPS

TRANSFER TO RESERVES

The Company retained the entire surplus in the Profit and Loss Account and hence no transfer to General Reserve was made during the Year.

SUBSIDIARY COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company and its subsidiary, prepared in accordance with Indian Accounting Standards notified under the Companies Indian Accounting Standards notified under the Companies (Indian Accounting Standard) Rules, 2015 ('IND AS') form part of the Annual Report and are reflected in the Consolidated Financial Statements of the Company.

In terms of Section 134 of the Companies Act, 2013 and Rule 8(1) of the Companies (Accounts) Rules, 2014, the financial position and performance of subsidiaries are given in Consolidated Financial Statements.

As on March 31, 2019, the company has a subsidiary company namely Aspire Communications Private Limited. There has been no material change in the nature of the business of the subsidiaries. The consolidated financial statement has been prepared in accordance with the relevant accounting standards and a separate statement containing the salient features of the financial statement of its subsidiaries and associate in form AOC-1 is attached as Annexure V along with the financial statement of the company.

DEPOSITS

The Company has not accepted any deposits in terms of Chapter V of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014, during the year under review and as such, no amount on account of principal or interest on public deposits was outstanding as of the balance sheet date.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

In compliance of Section 125 of the Companies Act, 2013, the dividends pertaining to the financial year 2007-2008 which were lying unclaimed with the Company was transferred to the Investor Education and Protection Fund during the financial year 2015- 16. The Company has not declared any dividend after FY 2008-09, hence there is no requirement of transfer to Investor Education and Protection Fund.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

In terms of Section 134 of the Companies Act, 2013, the particulars of loans, guarantees and investments given by the Company under Section 186 of the Companies Act, 2013 is detailed in Notes to Accounts of the Financial Statements.

RELATED PARTY TRANSACTIONS

During the year, the Company has not entered into any contract / arrangement / transaction with a related party which can be considered as material in terms of the policy on related party transactions laid down by the Board of Directors. The related party transactions undertaken during the financial year 2018-19 are detailed in Notes to Accounts of the Financial Statements.

Particulars of contracts or arrangements with related parties referred to in section 188(1) of the Companies Act, 2013 in form AOC-2 is appended as **Annexure-IV** to the Board's Report.

RISK MANAGEMENT AND RISK MANAGEMENT POLICY

The Company has comprehensive Risk Management framework that seeks to minimize adverse impact on business objectives and capitalize on opportunities. The Company has implemented a mechanism for risk management and formulated a Risk Management Policy which details the procedures to be followed by the Company with regard to risk management. The policy broadly defines the scope of the Risk Management Committee which comprises of:

- Review and approve the Risk Management Policy and associated frameworks, processes and practices of the Company;
- Ensuring that the Company is taking the appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities;
- Evaluating significant risk exposures of the Company and assess management's actions to mitigate the exposures in a timely manner (including one-off initiatives, and ongoing activities such as business continuity planning and disaster recovery planning & testing)
- Co-ordinating its activities with the Audit Committee in instances where there is any overlap with audit activities (e.g. internal or external audit issue relating to risk management policy or practice)
- Reporting and making regular recommendations to the Board;

DETAILS OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

Appointments

- Dr. V. Manimala has been appointed as an Executive Director & COO with effect from June 08, 2018.
- Mr. Ranganathan was appointed as Company Secretary and Compliance Officer with effect from November 27, 2018
- Mr. Vijayakumar Madhavan was appointed as Whole Time Director and Chief Financial Officer with effect from October 10, 2018
- The appointment of Mr. Mahalingam Vasudevan as Managing Director and Chief Executive Officer was approved by the Shareholders in the Annual General Meeting held on September 29, 2018
- Mr. Bashyam Rangarajan was appointed as additional director in Independent capacity with effect from June 26, 2018

- Mr. M. Sampath has been appointed as an Independent Director with effect from May 10, 2019.
- Ms. AVN Srimathi has been appointed as a Woman - Independent Director with effect from May 10, 2019.

Retirement and Resignation of Directors

- Mr. B. Rengarajan has been appointed as an Independent Director with effect from June 26, 2018 and he resigned from the board with effect from May 10, 2019.
- Mr. Prashant Khattar resigned from the Board with effect from June 8, 2018 Dr. Timothy Allen resigned from the Board with effect from June 8, 2018

BRIEF PROFILE OF DIRECTORS PROPOSED TO BE RE-APPOINTED

Ms. AVN Srimathi who was appointed as an additional Director (Independent Director) of the Company with effect from May 10, 2019 hold office up to the date of this Annual General Meeting in terms of Section 161(1) of the Act. The Company received a notice from a Member under Section 160 of the Companies Act, 2013, signifying his intention to propose the candidature of Ms. AVN Srimathi (DIN :08328823) for the office of Independent Director of the Company. Ms. AVN Srimathi, is MA and M. Phil and has an extensive experience in the areas of business the Company is operating and also serves on advisory boards for several non-profit organizations, venture capital firms and high-tech start-up companies.

Mr. M. Sampath (DIN 08449699) who was appointed as an Independent Director of the Company with effect from May 10, 2019 hold office up to the date of this Annual General Meeting in terms of Section 161(1) of the Act. The Company received a notice from a Member under Section 160 of the Companies Act, 2013, signifying his intention to propose the candidature of Mr. M. Sampath (DIN 08449699) for the office of Independent Director of the Company. Mr. M. Sampath is commerce graduate and has an extensive experience in the areas of business the Company is operating.

Dr. Vasudevan Mahalingam (DIN 01608150) is the Managing Director and Chief Executive Officer of the Company who holds M.Pharm and Ph.D degree and has extensive experience in the business of the Company. All the Executive Directors and Non Executive and Non Independent Directors are liable to retire by rotation. Applying this, Mr. Mahalingam Vasudevan (DIN: 01608150) who was appointed as Executive Director on 12/08/2016, in the current term, being the longest serving member, is liable to retire by rotation in the current Annual General Meeting of the Company.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declarations from all its Independent Directors that they meet the criteria of Independence as laid down under Section 149 (6) of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the financial year ended March 31, 2019.

Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV of the Companies Act, 2013.

GOVERNANCE GUIDELINES

The Board of the Company has adopted Governance Guidelines on Board Effectiveness. The Guidelines cover aspects related to composition and role of the Board, Chairman and Directors, Board diversity, definition of independence, Director term, retirement age and Committees of the Board. It also covers aspects relating to nomination, appointment, induction and development of Directors, Director remuneration, Subsidiary oversight, Code of Conduct, Board Effectiveness Review and Mandates of Board Committees.

PROCEDURE FOR NOMINATION AND APPOINTMENT OF DIRECTORS

The NRC is responsible for developing competency requirements for the Board based on the industry and strategy of the Company. The Board composition analysis reflects in-depth understanding of the Company, including its strategies, environment, operations, financial condition and compliance requirements. The NRC conducts a gap analysis to refresh the Board on a periodic basis, including each time a Director's appointment or re-appointment is required. The Committee is also responsible for reviewing the profiles of potential candidates vis-à-vis the required competencies and meeting potential candidates, prior to making recommendations of their nomination to the Board. At the time of appointment, specific requirements for the position, including expert knowledge expected, is communicated to the appointee.

CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES AND INDEPENDENCE OF A DIRECTOR

The NRC has formulated the criteria for determining qualifications, positive attributes and independence of Directors in terms of provisions of Section 178(3) of the Act and Regulation 19 read with Part D of Schedule II of the Listing Regulations.

Independence: In accordance with the above criteria, a Director will be considered as an 'Independent Director' if he/she meets with the criteria for 'Independent Director' as laid down in the Act and Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations.

Qualifications: A transparent Board nomination process is in place that encourages diversity of thought, experience, knowledge, perspective, age and gender. It is also ensured that the Board has an appropriate blend of functional and industry expertise. While recommending the appointment of a Director, the NRC considers the manner in which the function and domain expertise of the individual will contribute to the overall skill-domain mix of the Board.

Positive Attributes: In addition to the duties as prescribed under the Act, the Directors on the Board of the Company are also expected to demonstrate high standards of ethical behaviour, strong interpersonal and communication skills and soundness of judgement. Independent Directors are also expected to abide by the 'Code for Independent Directors' as outlined in Schedule IV to the Act.

ANNUAL EVALUATION OF BOARD PERFORMANCE AND PERFORMANCE OF ITS COMMITTEES AND OF DIRECTORS

Pursuant to the applicable provisions of the Act and the Listing Regulations, the Board has carried out an annual evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its Committees.

The NRC has defined the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and Directors.

The performance of the Board and individual Directors was evaluated by the Board after seeking inputs from all the Directors. The performance of the Committees was evaluated by the Board after seeking inputs from the Committee Members. The criteria for performance evaluation of the Board included aspects such as Board composition and structure, effectiveness of Board processes, contribution in the long term strategic planning, etc. The criteria for performance evaluation of the Committees included aspects such as structure and composition of Committees, effectiveness of Committee meetings etc. The above criteria for evaluation was based on the Guidance Note issued by SEBI.

In a separate meeting, the Independent Directors evaluated the performance of Non-Independent Directors and performance of the Board as a whole. They also evaluated the performance of the Chairman taking into account the views of Executive Directors and Non-Executive Directors. The NRC reviewed the performance of the Board, its Committees and of the Directors. The same was discussed in the Board Meeting that followed the meeting of the independent Directors and NRC, at which the

feedback received from the Directors on the performance of the Board and its Committees was also discussed.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

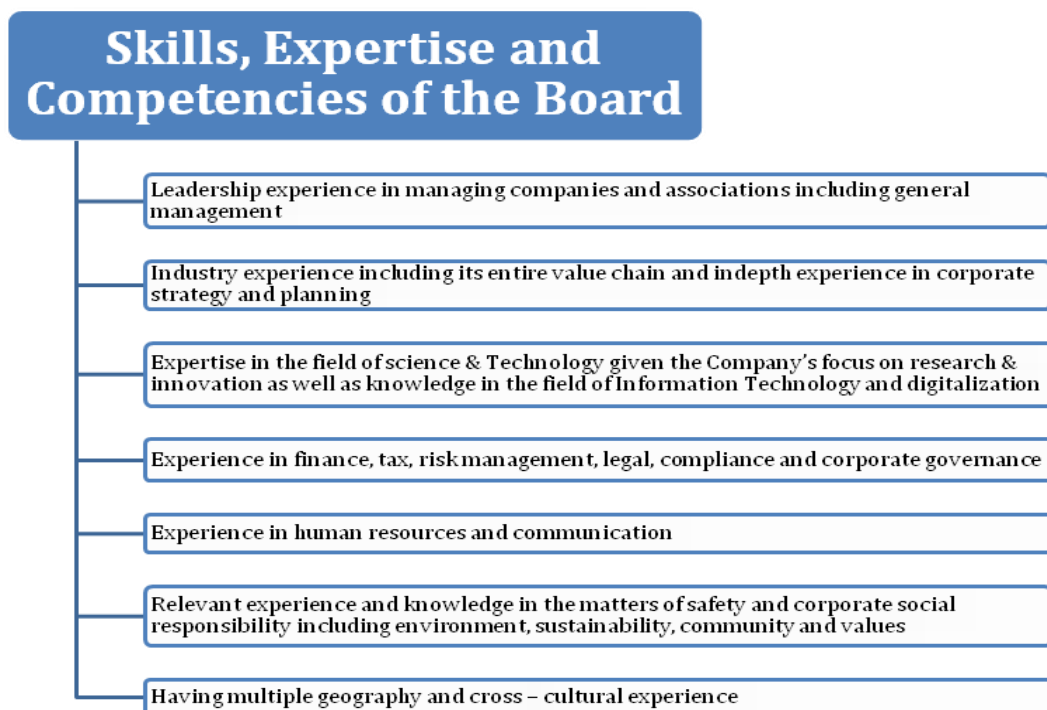
The Directors are provided with necessary documents, reports and internal policies to enable them to familiarize with the company’s procedures and practices. Further, periodic presentations are made at the Board and its Committee Meetings, on business and performance updates of the company, global business environment, business strategy and risks involved. Quarterly updates on relevant statutory changes are provided to the Directors in the Board meetings.

Upon appointment, the Directors are issued a Letter of Appointment setting out in detail the terms of employment including their roles, function, responsibilities and their fiduciary duties as a Director of the company.

The details of such familiarization programme for Independent Directors are posted on the website of the company and are available at <https://www.calsoftgroup.com/investors/governancepolicies>.

SKILLS, EXPERTISE AND COMPETENCIES OF THE BOARD

The Board of Directors has, based on the recommendations of the Nomination and Remuneration Committee (‘NRC’), identified the following core skills/ expertise/competencies of Directors as required in the context of business of the Company for its effective functioning:



NUMBER OF BOARD MEETINGS

During the year, Ten (10) board meetings were conducted and details are available in the Corporate Governance Report. The intervening gap between two board meetings was within the period prescribed by the Companies Act, 2013.

BOARD COMMITTEES

The primary committees of the Board are Audit committee, Nomination and remuneration committee, Stakeholder Relationship Committee. It is not mandatory for the Company to form Risk Management Committee since it does not fall under TOP 500 listed entities based on market capitalization as of 31st March 2019.

1) Audit Committee

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 of and the provision of Section 177(8) read with Rule 6 of the Companies (Meeting of Board and its Powers) Rules 2014 the company has duly constituted a qualified and independent Audit Committee. The Audit Committee of the Board consisting of three "Non- Executive & Independent Directors" as members having adequate financial and accounting knowledge. The composition, procedures, powers and role/functions of the audit committee and its terms of reference are set out in the corporate governance report forming part of the Board's report. During the financial year ended March 31, 2019, the Audit Committee met four times on May 28, 2018, August 14, 2018, November 14, 2018 and January 05, 2019.

During the period under review, the suggestions put forth by the Audit Committee were duly considered and accepted by the Board of Directors. There were no instances of non- acceptance of such recommendations.

2) Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises of three Non-Executive Independent Directors as on 31st March 2019. The Chairman of the Committee is an Independent Director. The said committee comprises of Mrs. Keerti Saraswat, Mr. Pasupathy Raju and Mr. Bashyam Rangarajan. The Company Secretary acts as the Secretary of the Committee. The Committee has met 4 times during the financial year 2018-19 on 8th June, 2018, 31st August, 2018, 14th November, 2018 and 5th January, 2019.

3) Stakeholder Relationship Committee

The Company has a Stakeholders Grievance Committee (formerly known as Shareholders'/Investors' Grievance Committee) of the Board of Directors to look into the redressal of complaints of shareholders'/investors' such as transfer or credit of shares, non-receipt of dividend/notices/annual reports, etc.

During the year, the Stakeholders Grievance Committee (formerly known as Shareholders'/Investors' Grievance Committee) comprises of four members of the Board, as on 31st March 2019 namely Mr. Bashyam Rangarajan, Mr. Pasupathy Raju, Mrs. Keerti Saraswat and Mr. Vasudevan Mahalingam. Among the members, three of them are Non-Executive and Independent Directors and one Executive Director. The Company Secretary acts as the Secretary of the Committee.

The Committee has met 3 times during the financial year 2018-19 on 28th May, 2018, 14th November, 2018 and 5th January, 2019

DETAILS OF POLICIES DEVELOPED BY THE COMPANY

1) Nomination and Remuneration Policy

Our Company has constituted a Nomination, Remuneration and Governance Committee of the Board of Directors and formulated a Nomination and Remuneration Policy containing the criteria for determining qualifications, positive attributes and independence of a director and policy relating to the remuneration for the directors, key managerial personnel and senior management personnel of the Company. The Nomination and Remuneration Policy is available on the website of the Company www.calsoftgroup.com and relevant extracts from the Policy are reproduced in **Annexure II** to this report.

The Board affirms that the remuneration paid during financial year 2018-19 to the Employees and Key Managerial Personnel was as per the Remuneration policy of the Company.

2) Whistle Blower Policy - Vigil Mechanism

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and the provision of Section 177(9) read with Rule of the Companies (Meeting of Board and its Powers) Rules 2014 the company has duly established a vigil mechanism for stakeholders, directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy. The Audit Committee of the Company oversee the vigil mechanism. The company affirms that no personnel has been denied direct access to the Chairman of the Audit Committee.

The Policy also provides for adequate protection to the whistle blower against victimization or discriminatory practices. The Policy is available on the website of the Company at <http://www.calsoftgroup.com>.

3) Board Diversity

The Policy on Board Diversity (the "Policy") sets out the Company's approach to ensuring adequate diversity in its Board of Directors (the "Board") and is devised in consultation with the Nomination and Remuneration Committee (the "Committee") of the Board.

The Company recognises and embraces the benefits of having a diverse Board of Directors and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage in the complex business that it operates. It is recognised that a Board composed of appropriately qualified people with broad range of experience relevant to the business of the Company is important to achieve effective corporate governance and sustained commercial success of the Company. A truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background, race, gender and other distinctions amongst Directors. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately. At a minimum, the Board of the Company shall consist of at least one woman Director. All Board appointments are made on merit, in the context of the skills, experience, independence, knowledge and integrity which the Board as a whole requires to be effective.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, issued by the Institute of Company Secretaries of India, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

AUDITORS

Statutory Auditors

M/s. N. Balasubramanian Associates, Chartered Accountants, Chennai was re-appointed as Statutory Auditors of the Company at the Annual General Meeting held on September 28, 2016 for a period of five years until the conclusion of the 29th Annual General Meeting to be held in the year 2021

The Company has received a certificate from the Statutory Auditors to the effect they are not disqualified to continue as Auditors of the Company. The notes on financial statement referred to in the Auditors' Report are self explanatory and do not call for any further comments.

Qualifications in Auditors Report

With reference to auditor's remark in audit report, we state as follows: -

- Note 26 and 27 in the standalone financial statements which indicate that the Standalone Company became positive net-worth and acquired a net profit during the current year.
- Company's Indian subsidiary Aspire Communications P Ltd has initiated their business operations fully.

Secretarial Auditor

S. Dhanapal and Associates, Company Secretaries-in-Practice have been appointed as Secretarial Auditor for the financial year 2018-19. The Secretarial Audit Report in Form No. MR.3 issued by the Secretarial Auditor forms part of the Annual Report as **Annexure I** to the Board's report.

The Secretarial Auditor has qualified the report with respect to non-compliance of filing forms with Registrar and with the Stock Exchanges. The Board is taking steps to comply with the requirements which have arisen due to technical difficulties/ inadvertence.

Cost Audit

The Company is not required to conduct cost audit.

PARTICULARS OF EMPLOYEES AND REMUNERATION

Details as required under Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 : **As as per Annexure VII**

DETAILS REQUIRED AS PER SECTION 197 AND RULE 5 (1) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

NAME OF DIRECTOR/KMP	AMOUNT OF REMUNERATION PER ANNUM (Rs. In Lakhs)	RATIO OF REMUNERATION TO MEDIAN REMUNERATION OF EMPLOYEES FOR THE FY	% INCREASE IN REMUNERATION DURING THE FY
Mr.Vasudevan Mahalingam	Nil	Nil	Nil
Ms.Manimala Vasudevan	Nil	Nil	Nil
Mr.Vijayakumar Madhavan	3,00,000	12	0.63

Percentage increase in the Median Remuneration of employees in the financial year

The median remuneration of employees for the financial year 31st March 2019 was arrived at Rs.25,000/- per month and the median remuneration of Employees for the previous financial year 31st March 2018 was arrived at Rs.11,645/- per month and accordingly, there was an increase of 114.68% in the median remuneration of employees in a financial year.

Number of permanent employees on the rolls of the Company as on 31.03.2019

The number of permanent employees on the rolls of the Company as of 31st March 2019 stood at 12 employees.

Average percentile increases already made in the salaries of employees other than managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there any exception circumstances for increase in managerial remuneration.

The average percentile increase was about 10 % for all employees who went through the compensation review cycle in the year. For the managerial position, the compensation level remained the same in respect of Managing Director and Executive Director and CFO it has marginally increased due to annual increment based on their performance.

DETAILS OF PECUNIARY RELATIONSHIP OR TRANSACTIONS OF NON-EXECUTIVE DIRECTORS VIS A VIS THE COMPANY.

All the non-executive Directors are entitled to only sitting fees of Rs.Nil for every meeting of the Board they attend and sitting fee of Rs.Nil for every committee meeting they attend as members.

Mr.Vasudevan Mahalingam holds 49,36,673 equity shares as of 31st March 2019.

INTERNAL FINANCIAL CONTROLS

The term Internal Financial Controls has been defined as the policies and procedures adopted by the company to ensure orderly and efficient conduct of its business, including adherence to company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records, and the timely preparation of reliable financial information. Your Company has adequate and robust Internal Control Systems, commensurate with the size, scale and complexity of its operations.

To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of Internal Audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board. The Audit Committee also conducts discussions about Internal Control Systems with the Internal and Statutory Auditors and the Management of the Company and satisfy themselves on the integrity of financial information and ensure that financial controls and systems of risk management are robust and defensible.

HUMAN RESOURCES

Employee Strength and Expansion

Calsoft is in the process of employing more than 100+ employees to deliver an industry leading revenue per employee. Calsoft continued its focus on talent localization strategy in global locations, a strategy

adopted a decade ago, ahead of the market. This has paid rich dividends in an era of strong emphasis on talent localization.

In FY19, human resource function continued to build on its organization strategy and mission. Our various initiatives were focused to simplify HR function, impacting entire hire to retire cycle, enhancing employee experience by delivering distinctive people practices. HR function collaborated with business for enhanced business value addition by driving operational efficiencies and effective organization design.

Talent Acquisition, Talent Development & Career Management

Calsoft's talent acquisition & talent management practices are aligned to our strategy. We have leveraged Digital and Cloud technologies to enhance the quality and experience of our Talent Acquisition, Talent Development and Career Management programs, we leveraged artificial intelligence & data science to hire the right talent at the right time. Calsoft believes LEARN.. UNLEARN... RELEARN is a continuous process, and it will bring in new models of employment and force organizations to rethink Future of Work and Workplace. We shifted focus on enhancing the business value through increasing passion, proficiency and value by enabling our employees to drive Performance, Productivity and Innovation.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The Company has not received any complaint on sexual harassment during the financial year ended 31.03.2019.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

During the year there are no significant and/or material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF REPORT

There is no such transaction which affects the financial for the year ending and the date of the report.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in **Annexure III** forms part of this Report.

CORPORATE GOVERNANCE

The Company has complied with the corporate governance requirements under the Companies Act, 2013 and as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. A report on Corporate Governance including Management Discussion and Analysis report under Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 along with a certificate from M/s. N. Balasubramanian Associates, Chartered Accountants, confirming the compliance is annexed herewith marked as **Annexure VI** and forms part of this report.

CODE OF CONDUCT

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Companies Act, 2013 the Company has laid down a Code of Conduct (Code) for all the Board Members and Senior Management Personnel of the Company. The Code is also posted on the Website of the Company www.calsoftgroup.com. All Board Members and Senior Management Personnel have affirmed their compliance with the Code for the financial year ended March 31, 2019. A declaration to this effect signed by Dr. M. Vasudevan, Managing Director forms part of the Corporate Governance Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In accordance with the requirements of the Listing Agreement, the Management Discussion and Analysis Report titled as Management Report forms part of this Report.

EXTRACT OF ANNUAL RETURN

In terms of Section 134 of the Companies Act, 2013 read with Rules 12(1) of the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return of the Company for the financial year 2018-19 is provided in this report.

RELATED PARTY TRANSACTIONS

During the year under review, the company has not entered into any transaction of a material nature with its subsidiaries, promoters, Directors, the management, senior management personnel, their relatives, etc., that may have any potential conflict with the interest of the company. The company has obtained requisite declarations from all Directors and senior management personnel in this regard and the same were placed before the Board of Directors.

There have been no materially significant related party transactions, monetary transactions or relationships between the company and its Directors, management, subsidiary or relatives, except for those disclosed in the financial statements for the financial year 2017-18. Detailed information on materially significant related party transactions is enclosed in **Annexure IV** to the Board Report

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Since the company is in the Information Technology Enabled Services (ITES), the provisions relating to conservation of energy and technology absorption are not applicable.

During this FY 2018-19, the company earned Rs. 145 lakhs as foreign exchange earnings.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, your Company complied with the compliance requirements and the details of compliances under Companies Act, 2013 are enumerated below:

Your Directors confirm the following that:

- In preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

- The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
- The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- The directors had prepared the annual accounts on a going concern basis.
- Proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- Proper systems were in place so as to ensure compliance with the provisions of all applicable laws and were adequate and operating effectively.

GREEN INITIATIVES

From the FY 2016-17 onwards, Electronic copies of Annual Reports and Notice of the Annual General Meeting are sent to all members whose email addresses are registered with the Company / Depository Participant(s). For members who have not registered their email addresses, physical copies of the Annual Report were sent.

ADDITIONAL INFORMATION TO SHAREHOLDERS

All important and pertinent investor information such as financial results, investor presentations, press releases, new launches and project updates are made available on the Company's website (www.calsoftgroup.com / www.calsof.com) on a regular basis.

KEY MANAGERIAL PERSONNEL

The Key Managerial Personnel of the Company are:

- Dr. Mahalingam Vasudevan has been appointed as Managing Director & CEO with effect from December 23, 2017.
- Dr. V. Manimala has been appointed as an Executive Director & COO with effect from June 08, 2018.
- Mr. Vijayakumar Madhavan has been appointed as an Executive Director & CFO with effect from June 08, 2018.

ACKNOWLEDGEMENT

We take this opportunity to thank our customers, shareholders, suppliers, bankers, business partners/ associates and Government and regulatory authorities in India and other countries of operation for their consistent support and encouragement to the Company and look forward to their continued support during the coming years. We place on record our appreciation for the valuable contribution made by the employees at all levels.

For and on behalf of the Board of Directors

Dr. M. Vasudevan
Managing Director & CEO

Vijayakumar M
Director

Chennai
August 14, 2019

ANNEXURE I

MR – 3
SECRETARIAL AUDIT REPORT
For the Financial Year Ended 31st March 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
CALIFORNIA SOFTWARE COMPANY LIMITED,
Chennai

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. California Software Company Limited**, (hereinafter called the company). Secretarial Audit was conducted based on records made available to us, in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion/understanding thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and made available to us and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we, on strength of those records, and information so provided however subject to review of financial statements, hereby report that in our opinion and understandings, the Company, during the audit period covering the financial year ended on March 31, 2019, appears to have complied with the statutory provisions listed hereunder and also in our limited review, that the Company has proper and required Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minutes' book, forms and returns filed and other records maintained by the Company and made available to us except financial statements, for the financial year ended on March 31, 2019 according to the applicable provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder and the Companies Act, 1956 and the rules made thereunder as applicable;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent applicable;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992('SEBI ACT') to the extent applicable during the year: -
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations,

2015;

- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as substituted by the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 as substituted by the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018.

We have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2).
- ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We have examined in limited manner, the systems and processes in place to ensure compliance with specific laws like The Information Technology Act, 2000 and the rules made thereunder, considering and relying upon representations made by the Company and its Officers for systems and mechanism formed by the Company for compliances under these laws.

During the period under review, the Company has complied in accordance with the requirements to be met with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to the extent applicable during the year, except for the delay in filing of forms with Registrar of Companies, appointment of Company Secretary and delayed submission to Stock Exchanges under SEBI Regulations with respect to Shareholding pattern for Quarter ended March 31, 2018, Annual disclosure of shareholding of promoter as on 31st March 2018, furnishing the prior intimation of Board Meeting held on 14.11.2018, Submission of Corporate Governance report for the Quarter ended June 30, 2018 and Composition of the Nomination and Remuneration Committee and the Stakeholders Relationship Committee was not in accordance with the SEBI LODR Regulations from 01.7.2018 to 14.11.2018;

It is represented to us that the company has initiated measures, wherever required, to address issues raised by the statutory authorities and letters/notices received by the Company during the financial year under various enactments as applicable to the company.

We further report that, subject to the above, the related documents that we have come across depict that:

The Board of Directors of the Company is constituted as applicable with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and the changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further

information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions of the Board and Committees were unanimous and the same was captured and recorded as part of the minutes and hence no dissent is recorded in minutes.

We further report that based on our limited review of the compliance mechanism established by the Company, there appear adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines and scope exists for improvement of same.

We further report that, company has paid penalties to stock exchanges with respect to non-compliances.

We further report that during the audit period, the Company has sought the approval of its members for following major events other than transaction of ordinary business at the Annual General Meeting:

- Regularization of the appointment of Dr. Mahalingam Vasudevan as Managing Director and Chief Executive Officer of the Company;
- Regularization of the appointment of Ms. Keerti Saraswat as an Independent Director of the Company;
- Regularization of the appointment of Dr. Pasupathy Raju as an Independent Director of the Company;
- Regularization of the appointment of Mr. B. Rangarajan as an Independent Director of the Company;
- Regularization of the appointment of Dr. Manimala Vasudevan as an Executive Director and Chief Operating Officer of the Company;
- Regularization of the appointment of Mr. Vijayakumar Madhavan as an Executive Director and Chief Financial Officer of the Company;
- Ratification of earlier General Meeting Resolution approved by the Shareholders at the Extra Ordinary General Meeting held on December 23, 2017 towards conversion of unsecured loans into Optionally Convertible Redeemable Preference Shares (OCRPS)

We further report that, our Audit was subjected only to verifying adequacy of systems and procedures that are in place for ensuring proper compliance by the Company and we are not responsible for any lapses in those compliances on the part of the Company.

Place: Chennai
Date: 14.08.2019

For S Dhanapal & Associates

N. Ramanathan
(Partner)
FCS 6665
CP No. 11084

This Report is to be read with our testimony of even date which is annexed as Annexure A and forms an integral part of this report.

ANNEXURE – II**EXTRACTS FROM NOMINATION AND REMUNERATION POLICY****POLICY ON BOARD DIVERSITY****Purpose of this Policy**

This Policy on Board Diversity (the "Policy") sets out the Company's approach to ensuring adequate diversity in its Board of Directors (the "Board") and is devised in consultation with the Nomination and Remuneration Committee (the "Committee") of the Board.

Scope of Application

The Policy applies to the Board of California Software Company Limited (the "Company").

Policy Statement

The Company recognises and embraces the benefits of having a diverse Board of Directors and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage in the complex business that it operates. It is recognised that a Board composed of appropriately qualified people with broad range of experience relevant to the business of the Company is important to achieve effective corporate governance and sustained commercial success of the Company. A truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background, race, gender and other distinctions amongst Directors. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately. At a minimum, the Board of the Company shall consist of at least one woman Director. All Board appointments are made on merit, in the context of the skills, experience, independence, knowledge and integrity which the Board as a whole requires to be effective.

Review of the Policy

The Board and the Committee will review this Policy on a regular basis to ensure its effectiveness and also compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and applicable provisions of the Companies Act, 2013 and rules made thereunder.

REMUNERATION POLICY**Purpose of this Policy**

California Software Limited (the "Company") has adopted this Policy on appointment and remuneration of the Directors, Key Managerial Personnel and Senior Management (the "Policy") as required by the provisions of Section 178 of the Companies Act, 2013 (the "Act") and applicable rules thereto and Regulation 19 of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015

The purpose of this Policy is to establish and govern the procedure applicable:

- a) To evaluate the performance of the members of the Board.
- b) To ensure remuneration to Directors, KMP and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- c) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

The Committee should ensure that the level and composition of remuneration is reasonable and enough to attract, retain and motivate Directors of the quality required to run the Company successfully and the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

Definitions

Independent Director means a director referred to in Section 149(6) of the Act. Key Managerial Personnel (the "KMP") shall mean "Key Managerial Personnel" as defined in Section 2(51) of the Act.

Nomination and Remuneration Committee, by whatever name called, shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Act.

Remuneration means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

Senior Management means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the Executive Directors, including all functional heads.

Words and expressions used and not defined in this Policy, but defined in the Act or any rules framed under the Act or the Securities and Exchange Board of India Act, 1992 and Rules and Regulations framed thereunder or the Accounting Standards shall have the meanings assigned to them in these regulations.

Composition of the Committee

The composition of the Committee is / shall be in compliance with the Act, Rules made thereunder and the Rule made under SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

Role of the Committee

The Committee shall

- a) Formulate the criteria for determining qualifications, positive attributes and independence of a Director;
- b) Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this Policy;
- c) Lay down the evaluation criteria for performance evaluation of Independent Director and the Board;
- d) Recommend to the Board, appointment, remuneration and removal of Director, KMP and Senior Management;
- e) To devise a Policy on Board diversity.

Appointment and removal of Director, KMP and Senior Management

Appointment criteria and qualification

The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director in terms of Diversity Policy of the Board and recommend to the Board his / her appointment.

For the appointment of KMP (other than Managing / Whole time Director) or Senior Management, a person should possess adequate qualification, expertise and experience for the position he / she is considered for the appointment. Further, for administrative convenience, the appointment of KMP (other than Managing / Whole time Director) or Senior Management, the Managing Director is authorised to identify and appoint a suitable person for such position. However, if the need be, the Managing Director may consult the Committee / Board for further directions / guidance.

Term

The Term of the Directors including Managing / Whole time Director / Independent Director shall be governed as per the provisions of the Act and Rules made there under and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended from time to time.

Whereas the term of the KMP (other than the Managing/ Whole time Director) and Senior Management shall be governed by the prevailing HR policies of the Company.

Evaluation

The Committee shall carry out evaluation of performance of every Director. The Committee shall identify evaluation criteria which will evaluate Directors based on knowledge to perform the role, time and level of participation, performance of duties, level of oversight, professional conduct and independence. The appointment / re- appointment / continuation of Directors on the Board shall be subject to the outcome of the yearly evaluation process. Framework for performance evaluation of Independent Directors and the Board is as per **Annexure 1** to this Policy.

Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, Rules and Regulations there under and / or for any disciplinary reasons and subject to such applicable Acts, Rules and Regulations and the Company's prevailing HR policies, the Committee may recommend, to the Board, with reasons recorded in writing, removal of a Director, KMP or Senior Management.

Remuneration of Managing / Whole-time Director, KMP and Senior Management

The remuneration / compensation / commission, etc., as the case may be, to the Managing / Whole time Director will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission, etc., as the case may be, shall be subject to the prior / post approval of the shareholders of the Company and Central Government, wherever required and shall be in accordance with the provisions of the Act and Rules made there under. Further, the Managing Director of the Company is authorised to decide the remuneration of KMP (other than Managing / Whole time Director) and Senior Management, and which shall be decided by the Managing Director based on the standard market practice and prevailing HR policies of the Company.

Remuneration to Non-executive / Independent Director

The remuneration / commission / sitting fees, as the case may be, to the Non-Executive / Independent Director, shall be in accordance with the provisions of the Act and the Rules made there under for the time being in force or as may be decided by the Committee / Board / shareholders. An Independent Director shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Act and the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, as amended from time to time.

ANNEXURE II - A

Framework for performance evaluation of Board of its own performance and that of its committees and individual directors pursuant to rule 8(4) of the Companies (Accounts) Rules, 2014

As per the provisions of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 the Nomination and Remuneration Committee (the "Committee") shall lay down the evaluation criteria for performance evaluation of Independent Directors, non-independent directors and the Board as a whole and Chairperson of the company. Further, in terms of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Board is required to monitor and review Board Evaluation Framework. This Framework shall contain the details of Board's self-evaluation framework (including all Committees of the Board and individual directors). The Board is committed to assessing its own performance as a Board in order to identify its strengths and areas in which it may improve its functioning. To that end, the Committee shall establish the following processes for evaluation of performance of Independent Director and the Board:

1. Once in a year, the Board will conduct a self-evaluation. It is the responsibility of the Chairman of the Board, supported by the Company Secretary of the Company, to organise the evaluation process and act on its outcome;
2. The Committee shall formulate evaluation criteria for the Board and the Independent Directors which shall be broadly based on:
 - Knowledge to perform the role;
 - Time and level of participation;
 - Performance of duties and level of oversight; and
 - Professional conduct and independence.
 - The Board / Independent Directors shall be asked to complete the evaluation forms and submit the same to the Chairman.
 - In terms of Section 134 of the Act, the Directors' Report should include a statement indicating a manner in which the Board has done formal annual evaluation of its own performance, performance of Committees and individual Directors of the Company.

As per the SEBI Circular SEBI/HO/CFD/CMD/CIR/P/2018/79 dated 10th May 2018, the followings details are being provided on Board evaluation:

Observations of Board Evaluation carried out for the year	There were no observations arising out of board evaluation during the year as the evaluation indicates that the Board has functioned effectively within its powers as enumerated under Companies Act, 2013 and in consonance with the Articles of Association of the Company.
Previous year's observations and actions taken	There were no observations during the previous year
Proposed actions based on current year observations	As there were no observations, the action to be taken does not arise.

TRAINING AND FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS

Every Independent Director on being inducted into the Board attends an orientation program. To familiarise the new directors with the strategy, operations and functions of our Company, the Executive Directors/ Senior Managerial Personnel make presentations to the inductees about the Company's strategy, operations, product offerings, organisation structure, human resources, technologies, facilities and risk management. Further, at the time of appointment of Independent Directors, the Company issues a formal letter of appointment outlining his/her role, functions, duties and responsibilities as a Director. The detailed familiarisation program for Independent Directors is hosted on the website of the Company and the weblink for same is www.calsoftgroup.com.

ANNEXURE II - B

Framework for Separate Meeting of Independent Directors

As required by the provisions of Schedule IV to the Act and in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of Non-independent Directors and members of the management.

The meeting shall:

1. Review the performance of Non-independent Directors and the Board as a whole;
2. Review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-executive Directors;
3. Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.
4. This meeting could be held prior or after the Board Meeting. The Independent Directors are free to call such meeting at any point of time, as desired.

ANNEXURE II-C

Familiarisation Programme for Independent Directors

As required by the provisions of Schedule IV to the Act and in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company is required to develop a Familiarisation Programme for the Independent Directors of the Company.

The Company will impart Familiarisation Programmes for new Independent Directors inducted on the Board of the Company.

The Familiarisation Programme of the Company will provide information relating to the Company, industry and the environment in which Company operates, challenges etc. The programme also intends to improve awareness of the Independent Directors on their roles, rights, responsibilities towards the Company. Further, the Familiarisation Programme should also provide information relating to the financial performance of the Company and budget and control process of the Company.

The Managing Director or such other authorised officer(s) of the Company shall lead the Familiarisation Programme on aspects relating to business / industry. The Chief Financial Officer or such other authorised officer(s) of the Company may participate in the programme for providing inputs on financial performance of the Company and budget, control process, etc.

ANNEXURE III

FORM MGT-9

**EXTRACT OF ANNUAL RETURN
AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2019
OF CALIFORNIA SOFTWARE COMPANY LIMITED**

*[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of
the Companies (Management and Administration) Rules, 2014]*

I. REGISTRATION AND OTHER DETAILS:

i	CIN	L72300TN1992PLC022135
ii	Registration Date	6 th February, 1992
iii	Name of the Company	CALIFORNIA SOFTWARE COMPANY LIMITED
iv	Category / Sub-Category of the Company	Company Limited by Shares / Non-government Company
v	Address of the Registered Office and Contact Details	2 nd Floor, Unit 9, STPI Building 5, Rajiv Gandhi Road, Taramani Chennai – 600113
vi	Whether Listed Company (Yes / No)	Yes
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Integrated Registry Management Services Private Limited 2 nd Floor, Kences Towers, 1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai - 600017 Ph: 044-28140801-03; Fax: 044-28142479 Email ID: yuvraj@integratedindia.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:

-

Sl. No.	Name and Description of Main Products / Services	NIC Code of the Product/ Service	% to total turnover of the company
1.	Software Development, Implementation, Support, Validation and Testing	62013	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: NIL

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1	Aspire Communications Private Limited, Mysore	U64201KA2001PTC029221	Subsidiary	100%	2(87)(ii)

SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage to Total Equity):

i) Category-wise Share Holding:

CATEGORY OF SHARE HOLDER	NO. OF SHARE HOLDERS	TOTAL NO. OF SHARES	TOTAL NO. OF SHARES HELD IN DEMATERIALIZED FORM	TOTAL NO. OF SHAREHOLDING AS A % OF TOTAL NO. OF SHARES		SHARES PLEDGED OR OTHERWISE ENCUMBERED	
				AS A% OF (A+B)	AS A% OF A+B+C	NUMBER OF SHARES	AS A% OF TOTAL NO. OF SHARES
(A) Shareholding of Promoter and Promoter Group							
(1) Indian							
Undivided Family		-	-	-	-	-	-
State Government(s)		-	-	-	-	-	-
Bodies Corporate		-	-	-	-	-	-
Banks		-	-	-	-	-	-
Any Others (Specify)		-	-	-	-	-	-
Sub Total		-	-	-	-	-	-
(2) Foreign							
Residents Individuals /	1	4,936,673	4,936,673	39.92	39.92	-	-
Bodies Corporate		-	-	-	-	-	-
Institutions		-	-	-	-	-	-
Qualified Foreign Investor		-	-	-	-	-	-
Any Others (Specify)		-	-	-	-	-	-
Sub Total	1	4,936,673	4,936,673	39.92	39.92	-	-
Total shareholding of Promoter and Promoter Group (A)	1	4,936,673	4,936,673	39.92	39.92	-	-
(B) Public Shareholding							
(1) Institutions							
Mutual Funds / UTI	1	300	300	-	-	-	-
Banks		-	-	-	-	-	-
State Government(s)		-	-	-	-	-	-
Venture Capital Funds		-	-	-	-	-	-
Insurance Companies		-	-	-	-	-	-
Investors		-	-	-	-	-	-
Investors		-	-	-	-	-	-
Qualified Foreign Investor def. in Ch. XA of SEBI (ICDR) Regulations)		-	-	-	-	-	-
Market Makers		-	-	-	-	-	-
Any Others (Specify)		-	-	-	-	-	-
Sub Total	1	300	300	-	-	-	-
(2) Non-Institutions							
Bodies Corporate		-	-	-	-	-	-
Individuals		-	-	-	-	-	-
Individual shareholders holding nominal share capital up to Rs. 1 lakh	0	-	-	-	-	-	-
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	5,262	7,000,501	7,000,501	56.62	56.62	-	-
Qualified Foreign Investor		-	-	-	-	-	-
Any Others (Specify)	94	427,532	326,122	3.46	3.46	-	-
Sub Total	5,356	7,428,033	7,326,623	60.07	60.07	-	-
Total Public shareholding (B)	5,357	7,428,333	7,326,923	60.08	60.08	-	-
Total (A)+(B)	5,358	12,365,006	12,263,596	100.00	100.00	-	-
(B) Shares held by Custodians and against which Depository Receipts have been issued-m							
(1)		-	-	-	-	-	-
(2)		-	-	-	-	-	-
Sub Total		-	-	-	-	-	-
Total (A)+(B)+(C)	5,358	12,365,006	12,263,596	100.00	100.00	-	-

ii) Share Holding of Promoters:

Sl. No.	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Vasudevan M	55,36,673	44.78	0	49,36,673	39.92	0	4.86
	Total	55,36,673	44.78	0	49,36,673	39.92	0	4.86

iii) Change in Promoters' Shareholding (Please specify, if there is no change):

Sl.No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	At the beginning of the year	55,36,673	44.78%	55,36,673	44.78%
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	<p><i>Sold 2,00,000 shares on 30.05.2018</i></p> <p><i>Sold 3,00,000 shares on 22.09.2018</i></p> <p><i>Sold 1,00,000 shares on 19.03.2018</i></p>			
3	At the end of the year			49,36,373	39.92

iv) Shareholding Pattern of top ten Shareholders (other than Directors,
Promoters and Holders of GDRs and ADRs):

S. No.	Name	Opening Balance		Increase / Decrease		Closing Balance	
		Shares	%	Shares	%	Share	%
1	VINAYAK G KUDVA						
	Opening Balance as on 01-04-2018	2804253	22.6789457				
	12/8/2018			-40000	-0.03	2764253	22.36
	18/8/2018			-26300	-0.21	2737953	22.14
	9/9/2018			-150000	-1.21	2587953	20.93
	15/09/2018			-500000	-4.04	2087953	16.89
	15/09/2018			340000	2.75	2427953	19.64
	6/10/2018			-2226	-0.02	2425727	19.62
	11/11/2018			-21206	-0.17	2404521	19.45
	17/11/2018			-10000	-0.08	2394521	19.37
	8/12/2018			-3440	-0.03	2391081	19.34
	22/12/2018			-52829	-0.43	2338252	18.91
	29/12/2018			-41000	-0.33	2297252	18.58
	5/1/2019			-66600	-0.54	2230652	18.04
	12/1/2019			-600000	-4.85	1630652	13.19
	12/1/2019			399218	3.23	2029870	16.42
	19/1/2019			-23930	-0.19	2005940	16.22
	26/01/2019			-39641	-0.32	1966299	15.90
	Closing Balance as on 31-03-					1966299	15.90
2	SANTOSH S						
	Opening Balance as on 01-04-2018	332052	2.69				
	28/04/2018			-15000	-0.12	317052	2.57
	19/05/2018			-4000	-0.03	313052	2.54
	15/09/2018			-10000	-0.08	303052	2.46
	22/09/2018			-40000	-0.32	263052	2.14
	29/09/2018			-36873	-0.3	226179	1.84
	6/10/2018			-23332	-0.19	202847	1.65
	13/10/2018			-5710	-0.05	197137	1.6
	17/11/2018			-10000	-0.08	187137	1.52
	Closing Balance as on 31-03-2019					187137	1.52
3	NANDHINI J NATHANI						
	Opening Balance as on 01-04-2018	0	0				
	28/04/2018			164800	1.33	164800	1.33
	Closing Balance as on 31-03-2019					164800	1.33
4	NIZAMUDDIN SHAIK						
	Opening Balance as on 01-04-2018	0	0				
	22/09/2018			41566	0.34	41566	0.34
	29/09/2018			15156	0.12	56722	0.46
	6/10/2018			17390	0.14	74112	0.6
	13/10/2018			4179	0.03	78291	0.63
	19/10/2018			126	0	78417	0.63
	3/11/2018			1241	0.01	79658	0.64
	11/11/2018			6806	0.06	86464	0.7
	17/11/2018			13285	0.11	99749	0.81
	23/11/2018			526	0	100275	0.81
	1/12/2018			359	0	100634	0.81
	8/12/2018			1504	0.01	102138	0.82
	22/12/2018			642	0.01	102780	0.83
	9/2/2019			5251	0.04	108031	0.87
	Closing Balance as on 31-03-2019					108031	0.87

S. No.	Name	Opening Balance		Increase / Decrease		Closing Balance	
		Shares	%	Shares	%	Share	%
5	PARIPOORANAM SAMPATH						
	Opening Balance as on 01-04-2018	0	0				
	7/7/2018			3708	0.03	3708	0.03
	21/7/2018			547	0	4255	0.03
	4/8/2018			-2700	-0.02	1555	0.01
	12/8/2018			-700	0	855	0.01
	18/8/2018			-850	0.01	5	0.02
	23/11/2018			200	0	205	0.02
	1/12/2018			2570	0.02	2775	0.04
	2/2/2019			2450	0.02	5225	0.06
	9/2/2019			335	0	5560	0.06
	23/03/2019			100000	0.81	105560	0.87
	Closing Balance as on 31-03-2019					105560	0.87
6	IL And FS Securities Services Limited						
	Opening Balance as on 01-04-2018	0	0				
	18/08/2018			45767	0.37	45767	0.37
	25/08/2018			-35000	-0.28	10767	0.09
	1/9/2018			60233	0.49	71000	0.57
	29/9/2018			925	0.01	71925	0.58
	Closing Balance as on 31-03-2019					71925	0.58
7	SHWETA DOSHI						
	Opening Balance as on 01-04-2018	0	0				
	28/07/2018			14500	0.12	14500	0.12
	4/8/2018			37593	0.30	52093	0.42
	12/8/2018			12000	0.10	64093	0.52
	25/8/2018			10000	0.08	74093	0.60
	9/9/2018			6957	0.06	81050	0.66
	15/9/2018			-4000	-0.03	77050	0.62
	22/9/2018			-22957	-0.19	54093	0.44
	29/9/2018			14443	0.12	68536	0.55
	3/11/2018			-1980	-0.02	66556	0.54
	Closing Balance as on 31-03-2019					66556	0.54
8	GEETA RAJIV BHATIA						
	Opening Balance as on 01-04-2018	64781	0.52				
	Closing Balance as on 31-03-2019			64781	0.52	64781	0.52
9	MULTIBAGGER SECURITIES RESEARCH AND ADVISORY						
	Opening Balance as on 01-04-2018	0	0				
	7/7/2018			3000	0.02	3000	0.02
	21/07/2018			6000	0.04	9000	0.06
	4/8/2018			7000	0.06	16000	0.12
	12/8/2018			291	0	16291	0.12
	25/08/2018			-150	0	16141	0.12
	9/9/2018			7150	0.05	23291	0.17
	11/11/2018			-2939	-0.02	20352	0.15
	23/11/2018			1500	0.01	21852	0.16
	1/12/2018			2648	0.02	24500	0.18
	26/01/2019			5462	0.04	29962	0.22
	9/2/2019			2932	0.02	32894	0.24
	16/2/2019			15271	0.12	48165	0.36
	23/02/2019			1281	0.01	49446	0.37
	16/03/2019			11882	0.1	61328	0.47
	Closing Balance as on 31-03-2019					61328	0.47

S. No.	Name	Opening Balance		Increase / Decrease		Closing Balance	
		Shares	%	Shares	%	Share	%
10	PATEL DHARMESH						
	Opening Balance as on 01-04-2018	0	0				
	4/8/2018			4400	0.04	4400	0.04
	12/8/2018			33600	0.27	38000	0.31
	18/8/2018			7963	0.06	45963	0.37
	25/8/2018			5950	0.05	51913	0.42
	9/9/2018			1200	0.01	53113	0.43
	22/9/2018			1600	0.01	54713	0.44
	29/9/2018			1000	0.01	55713	0.45
	13/10/2018			1000	0.01	56713	0.46
	26/10/2018			1000	0.01	57713	0.47
	3/11/2018			1000	0.01	58713	0.47
	17/11/2018			1000	0.01	59713	0.48
	1/12/2018			1000	0.01	60713	0.49
	23/03/2018			-50	0.00	60663	0.49
	Closing Balance as on 31-03-2019					56713	0.46

V. Shareholding Pattern of Directors and Key Managerial Personnel:

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning of the year				
1	Mr. Vasudevan M	55,36,673	44.78%	55,36,673	44.78%
2	Dr. Pasupathy Raju	57,700	0.47%	57,700	0.47%
3	Ms. Keerti Saraswat	17,000	0.14%	17,000	0.14%
	Date wise increase / decrease in promoters shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	Mr. Vasudevan sold his shares as below during the year			
		2,00,000 shares on 30.05.2018			
		3,00,000 shares on 22.09.2018			
		1,00,000 shares on 19.03.2019			
		Dr. Pasupathy Raju sold 43,935 shares as on			
		4800 shares on 16.06.2018			
		4853 shares on 30.06.2018			
		6790 shares on 21.07.2018			
		15729 shares on 28.07.2018			
		3055 shares on 04.08.2018			
		9020 shares on 09.09.2018			
		Ms. Keerti Saraswat sold 17,000 shares as on			
		5082 shares on 26.05.2018			
		3040 shares on 09.06.2018			
	4062 shares on 16.06.2018				
	1011 shares on 28.07.2018				
	4864 shares on 04.08.2018				
	At the end of the year				
1	Vasudevan M	-	-	49,36,673	39.92
2	Dr. Pasupathy Raju	-	-	13,765	0.11%
3	Ms. Keerti Saraswat	-	-	0	0%

VI. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding / accrued but not due for payment:

Particulars		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<i>Indebtedness at the beginning of the financial year</i>					
i)	<i>Principal Amount</i>	0	31,66,105	0	31,66,105
ii)	<i>Interest due but not paid</i>				
iii)	<i>Interest accrued but not</i>				
	Total (i + ii + iii)	0	31,66,105	0	31,66,105
<i>Changes in Indebtedness during the financial year</i>					
	<i>Addition</i>	0	23,69,292	0	23,69,292
	<i>Reduction</i>				
	Net Change	0	23,69,292	0	23,69,292
<i>Indebtedness at the end of the financial year</i>					
i)	<i>Principal Amount</i>	0	55,35,397	0	55,35,397
ii)	<i>Interest due but not paid</i>				
iii)	<i>Interest accrued but not</i>				
	Total (i + ii + iii)	0	55,35,397	0	55,35,397

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration of Managing Director, Whole time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager	Total Amount (In Rupees)
		Vijayakumar M (Executive Director)	
1	Gross Salary		
(a)	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	3,00,000	3,00,000
(b)	Value of perquisites U/s 17(2) of the Income-tax Act, 1961	NIL	NIL
(c)	Profits in lieu of Salary under Section 17(3) of the Income-tax Act, 1961	NIL	NIL
2	Stock Option	NIL	NIL
3	Sweat Equity	NIL	NIL
4	Commission - as % of profit - others, specify	NIL	NIL
5	Others – Retirement Benefits	NIL	NIL
Total (A)		3,00,000	3,00,000
Ceiling as per the Act (10% of PAT)		3,52,974	3,52,974

B. Remuneration to other Directors:

None of the Non-Executive and Independent Directors were paid sitting fees for every meeting of the Board and Committee meetings held during the financial year 2018-19.

Remuneration of Key Managerial Personnel other than MD / WTD / Manager:

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	Total Amount (in Rs)
		R. Ranganathan (CS)	
1	Gross Salary		
(a)	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	1,08,333	1,08,333
(b)	Value of perquisites U/s 17(2) of the Income-tax Act, 1961	NIL	NIL
(c)	Profits in lieu of Salary under Section 17(3) of the Income-tax Act, 1961	NIL	NIL
2	Stock Option	NIL	NIL
3	Sweat Equity	NIL	NIL
4	Commission - as % of profit - others, specify	NIL	NIL
5	Others – Retirement Benefits	NIL	NIL
Total		1,08,333	1,08,333
Ceiling as per the Act		Not applicable	Not applicable

VIII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
(A) Company;					
Penalty					
BSE	Reg. 19 & 20 of LODR	Non compliance in Constitution of NRC and SRC Committee	Rs. 6,41,920/-	BSE	
	Reg. 31 of LODR	Delay in submission of Shareholding pattern	Rs. 1,71,867/-		
	Reg. 29(2) & 29(3) of LODR	Delay in prior intimation of Board Meeting held on 14.11.2018	Rs. 11,800/-		
	Reg. 27(2) of LODR	Delay in submission of Corporate Governance Report	Rs. 9,440/-		
NSE	Reg 19 & 20 of LODR	Non compliance in Constitution of NRC and SRC Committee	Rs. 6,41,920/-	NSE	
	Reg. 31 of LODR	Delay in submission of Shareholding pattern	Rs. 1,71,867/-		
	Reg. 29(2) & 29(3) of LODR	Delay in prior intimation of Board Meeting held on 14.11.2018	Rs. 11,800/-		
	Reg. 27(2) of LODR	Delay in submission of Corporate Governance Report	Rs. 9,440/-		
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
(B) Directors;					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
(C) Other Officers in Default					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

For and on behalf of the Board
 For CALIFORNIA SOFTWARE COMPANY LIMITED

Date: 14.08.2019
 Place: Chennai

Dr. M. Vasudevan
 Managing Director
 DIN: 01608150

M. Vijayakumar
 Whole Time Director
 DIN: 07892448

ANNEXURE IV**Form No AOC-2****RELATED PARTY TRANSACTION**

[(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for Disclosure of particulars of contracts/arrangements “entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1 Details of contracts or arrangements or transactions not at Arm’s length basis.

Sl. No.	Particulars	Details
a.	Name(s) of the related party & nature of relationship	-
b.	Nature of contracts / arrangements / transaction	-
c.	Duration of the contracts/arrangements / transaction	-
d.	Salient terms of the contracts or arrangements or transaction including the value, if any	-
e.	Justification for entering into such contracts or arrangements or transactions	-
f.	Date of approval by the Board	-
g.	Amount paid as advances, if any	-
h.	Date on which the special resolution was passed in General meeting as required under first proviso to Section 188	-

ANNEXURE V

Form No AOC-1

FINANCIAL POSITION AND PERFORMANCE OF SUBSIDIARIES

Pursuant to first Proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules 2014 Statement containing salient features of the

Financial statement of subsidiaries

Sl.No.	Particulars	Details
1	CIN. No.	U64201KA2001PTC029221
2	Name of the subsidiary	Aspire Communications Private Ltd
3	The date since when subsidiary was acquired	03.07.2001
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01 st April 2018 to 31 st March 2019
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Indian Rupees (INR)
5	Share Capital	20,000,000
6	Reserves & surplus	-20,040,492
7	Total assets	112,434
8	Total Liabilities	112,434
9	Investments	-
10	Turnover	-
11	Profit before taxation	(6,718,291)
12	Provision for taxation	-
13	Profit after taxation	(67,18,291)
14	Proposed Dividend	-
15	% of shareholding	100

Notes: the following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations: NIL
- Names of subsidiaries which have been liquidated or sold during the year: NIL

PART “B” – Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures NIL

Particulars	Details
Name of Associates / Joint Ventures	-
Latest Audited Balance Sheet Date	-
Shares of Associate / Joint Ventures held by the Company on the year end	-
No. of shares	-
Amount of investment in Associates / Joint Venture	-
Extent of Holding (in percentage)	-
Description of how there is significant influence	-
Reason why the Associate / Joint Venture is not consolidated	-
Net-worth attributable to Shareholding as per latest audited Balance Sheet	-
Profit / Loss for the year	-
i. Considered in Consolidation	-
ii. Not Considered in Consolidation	-

1. Names of associates or joint ventures which are yet to commence operations - Nil
 2. Names of associates or joint ventures which have been liquidated or sold during the year- Nil

Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

By order of the Board
For CALIFORNIA SOFTWARE COMPANY LIMITED

Date: 14.08.2019
Place: Chennai

M. Vijayakumar
Whole Time Director
DIN: 07892448

M. Vasudevan
Managing Director
DIN: 01608150

For N. Balasubramanian Associates
Chartered Accountants
ICAI Firm Registration Number: 03555

N. Balasubramanian
Partner
Membership Number: 023445

Place of Signature: Chennai
Date:14.08.2019

ANNEXURE VI**Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015****To**

The Members
California Software Company Limited

1. The Corporate Governance Report prepared by California Software Company Limited (hereinafter the "company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2019. This report is required by the company for annual submission to the Stock exchange and to be sent to the Shareholders of the company.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the company has complied with the specific requirements of the Listing Regulations referred to in paragraph 3 above.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. The procedures selected depend on the auditor's judgment, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:

- i. Reading and understanding of the information prepared by the company and included in its Corporate Governance Report;
- ii. Obtained and verified that the composition of the Board of Directors w.r.t executive and non-executive directors has been met throughout the reporting period;
- iii. Obtained and read the Directors Register as on March 31, 2019 and verified that at least one women

director was on the Board during the year;

iv. Obtained and read the minutes of the following committee meetings held April 1, 2017 to March 31, 2018:

- (a) Board of Directors meeting;
- (b) Audit committee;
- (c) Annual General meeting;
- (d) Nomination and remuneration committee;
- (e) Stakeholders Relationship Committee;
- (f) Independent directors meeting; and
- (g) Risk management committee;

v. Obtained necessary representations and declarations from directors of the company including the independent directors; and

vi. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the company taken as a whole.

Opinion

8. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2019, referred to in paragraph 2 above.

Other matters and Restriction on Use

9. This report is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

10. This report is addressed to and provided to the members of the company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For N. Balasubramanian Associates

Chartered Accountants

ICAI Firm Registration Number: F0355S

N. Balasubramanian

Partner

Membership Number: 023445

Place of Signature: Chennai

Date: August 14, 2019

ANNEXURE VII

DETAILS OF TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN

Name of Employee	Designation of the employee	Remuneration received Per Annum (Amount in Rs lakhs.)	Nature of employment whether contractual or otherwise	Qualifications and experience of the employee	Age of such employee	Last employment held by such employee before joining the company	% of equity shares held by the employee in the Company by himself or along with his spouse and dependent children, being not less than two percent of the Equity Shares of the Company	Whether any such employee is a relative of any Director or Manager of the Company and if so, name of such Director or Manager
Mr.Vijaykumar M	Director	12.0	Permanent	M.COM, MBA	49	NA	NIL	NO
Mr.Selvam P	Php Developer	6.0	Permanent	B.E.	29	NA	NIL	NO
Mr. Sunil Kumar R	Accounts Manager	6.0	Permanent	B.A. DCSE	45	NA	NIL	NO
Mr. Yeswanth V	Software Engineer	5.0	Permanent	B.E.	24	NA	NIL	NO
Mr.Ganeshkumar K	Software Engineer	4.0	Permanent	B.E.	25	NA	NIL	NO
Mr.Gokul S	Sr. Tech. Engineer	3.5	Permanent	B.E.	32	NA	NIL	NO
Mr.Ranganathan	Company Secretary	3.0	Permanent	BCom., ACS	72	NA	NIL	NO
Mr.Charles Newman S	Office Assistant	2.5	Permanent	BCom	38	NA	NIL	NO
Mr.Dinesh Kumar	Software Engineer	2.0	Permanent	B.E.	25	NA	NIL	NO
Mr.Jayaprakash V	Software Engineer	2.0	Permanent	B.E.	25	NA	NIL	NO

- Details of the employees employed throughout the year and drawing remuneration which in the aggregate is not less than Rupees One Crore and Two Lakhs per annum, during the financial year: NIL
- Employees employed for a part of the financial year, was in receipt of remuneration for any part of that year, which, in the aggregate exceeds Rupees Eight Lakhs and Fifty Thousand per month, during the financial year: NIL

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34 (3) and Schedule V Para C Clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In pursuance to sub clause (i) of Clause 10 of Part C of Schedule V of Securities and Exchange Board of India ((Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of California Software Company Limited (CIN L72300TN1992PLC022135), (hereinafter referred to as “Company”), we hereby certify that:

On the basis of the written representation/declaration received from Directors of the Company and taken on record by the Board of Directors of the Company as on March 31, 2019, none of the Directors on the Board of the above said Company has been debarred or disqualified from being appointed or continuing as Director of Companies by SEBI / Ministry of Corporate Affairs or any such Statutory Authority.

**For M/s.S.Dhanapal & Associates
(a firm of Practicing Company Secretaries)**

**N. Ramanathan
Partner
Membership F 6665
COP 7028**

**Place: Chennai
Date: 14/8/2019**

CORPORATE GOVERNANCE REPORT

Good governance facilitates efficient, effective and entrepreneurial management that can deliver stakeholder value over the longer term. It is about commitment to values and ethical business conduct. It is a set of laws, regulations, processes and customs affecting the way a company is directed, administrated, controlled or managed.

Good corporate governance underpins the success and integrity of the organizations, institutions and markets. It is one of the essential pillars for building an efficient and sustainable environment.

Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. Good governance practices stem from the culture and mind set of the organization. The effectiveness of corporate governance in the company depends on regular review, preferably regular independent review. The company considers fair and transparent corporate governance as one of its most core management tenets.

The company has adopted a Code of Conduct for its Directors, Employees, consultants, vendors and customers and has also adopted a Code of Conduct to regulate, monitor and report trading by insiders and also a fair disclosure code. Some of the important best practices of Corporate Governance framework are timely and accurate disclosure of information regarding the financial position, performance, ownership and governance of the company.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

Strong leadership and effective corporate governance practices have been the company's hallmark inherited from the Calsoft culture and philosophy.

The company has a strong legacy of fair, transparent and ethical governance practices. The company has adopted a Code of Conduct for its employees including the Managing Director and the Executive Directors. In addition, the company has adopted a Code of Conduct for its Non-Executive Directors which includes Code of Conduct for Independent Directors which suitably incorporates the duties of independent directors as laid down in the Companies Act, 2013 ("Act"). The company's corporate governance philosophy has been further strengthened through the Calsoft Business Excellence Model and the Calsoft Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices ("Insider Trading Code"). The company has in place an Information Security Policy that ensures proper utilisation of IT resources.

The company is in compliance with the requirements stipulated under Regulations 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable, with regard to corporate governance.

Philosophy on Code of Governance

The Corporate Governance philosophy of the company is based on the following principles:

- Follow the spirit of the law and not just the letter of the law. Corporate Governance standards should go beyond the law.
- Be transparent and maintain high degree of disclosure levels. When in doubt, disclose it.
- Make a clear distinction between personal convenience and corporate resources.
- Communicate externally, in a truthful manner, about how the company is run internally.

- Have a simple and transparent corporate structure driven solely by business needs.
- Comply with the laws in all the countries in which the company operates.
- Management is the trustee of shareholders' capital and not the owner.

Corporate Governance is an integral part of the philosophy of the company in its pursuit of excellence, growth and value creation. In addition to complying with the statutory requirements, effective governance systems and practices towards improving transparency, disclosures, internal control and promotion of ethics at workplace have been institutionalized. The company recognizes that good governance is a continuing exercise and reiterates its commitment to pursue highest standards of Corporate Governance in the overall interest of all its stakeholders.

BOARD OF DIRECTORS

The Board of Directors determines the purpose and values of the company. The primary role of the Board is that of trusteeship to protect and enhance stakeholders' value through the strategic supervision of the company and its subsidiaries.

The company is headed by a Board that exercises leadership, integrity and judgment in directing to achieve continuing prosperity and to act in the best interest of the company. The Board plays a critical role in overseeing how the management serves the short and long-term interests of shareholders and other stakeholders. This is reflected in the company's governance practices, through which it strives to maintain an active, informed and independent Board. The Board ensures that the company complies with all relevant laws, regulations, governance practices, accounting and auditing standards. It identifies key risk areas and key performance indicators of the company's business and constantly monitors these factors.

The Board is entrusted with the ultimate responsibility of the management, general affairs direction and performance of the company and has been vested with the requisite powers, authorities and duties.

BOARD SIZE AND COMPOSITION

The Board of Directors ("Board") is at the core of the company's Corporate Governance practices and oversees how the management serves and protects the long-term interests of all the stakeholders. The company believes that an active, well informed and independent Board is necessary to ensure the highest standards of Corporate Governance.

The Board of the company has an optimum combination of Executive, Non-Executive and Independent Directors who have an in-depth knowledge of business, in addition to the expertise in their areas of specialization. During the year, majority of the Board comprised of Independent Directors. Independent Directors play a critical role in imparting balance to the Board processes by bringing independent judgments on issues of strategy, performance, resources, standards of the company, conduct etc.

During FY 2018-2019, the following Directors resigned from the Board.

- Mr. Prashant Khattar has been appointed as an Additional Director with effect from December 23, 2017 and he resigned from the board with effect from June 08, 2018.
1. As on 31st March 2019, the Company had Six Directors with three Non-Executive and Independent Directors and three Executive Directors. The Chairman & Managing Director is an Executive Director. The composition of the Board is in conformity with Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
 2. None of the Directors on the Board are Members in more than 10 committees or act as Chairman of more than five committees across all Companies in which he is a Director. The Directors have disclosed to the Company about the committee positions they occupy in other Companies and notify changes as and when they take place
 3. The Board has met 10 (Ten) times during the year and the gap between two meetings did not exceed 120 Days. The said Meetings were held on 2nd May 2018, 28th May 2018, 8th June 2018, 14th August 2018, 21st August 2018, 10th October 2018, 14th November 2018, 27th November

2018, 5th January 2019 and 26th March 2019. The necessary quorum was present for all the meetings. None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company

4. The minimum information as required under Part A of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is made available to the Board

The Board has complete access to all information pertaining to the Company inter-alia, the following information is regularly provided to the Board, whenever applicable and materially significant, either as a part of the agenda papers well in advance of the Board meetings or tabled in the course of the Board meeting or tabled before the appropriate Committees of the Board.

- a. Annual Operating plans & budgets and any updates thereof;
- b. Capital budgets and any updates thereof;
- c. Quarterly results of the Company, operating divisions and business segments;
- d. Minutes of the Meetings of Audit Committee and other Committees of the Board;
- e. The information on recruitment and remuneration of senior officers just below the Board level, including the appointment or removal of Chief Financial Officer and Company Secretary;
- f. Materially important show cause, demand, prosecution notices and penalty notices;
- g. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems;
- h. Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company;
- i. Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company;
- j. Details of any joint venture or collaboration agreement;
- k. Transactions that involve substantial payment towards goodwill, brand equity or intellectual property
- l. Significant labour problems and their proposed solutions. Any significant development in human resources/industrial relations front like signing of wage agreement, implementation of voluntary retirement scheme etc.
- m. Sale of material nature, of investments, subsidiaries, assets, which is not in the normal course of business;
- n. Quarterly details of foreign exchange exposures and the steps taken by the management to limit the risks of adverse exchange rate movement, if material;
- o. Non-compliance of any regulatory, statutory nature or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer, etc.

The Board has established procedures to enable the Board to periodically review compliance reports of all laws applicable to the Company, prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances, if any.

COMPOSITION OF THE BOARD AND THE DIRECTORSHIP(S) / COMMITTEE MEMBERSHIP(S) / CHAIRMANSHIP(S) HELD AS ON MARCH 31, 2019 IS AS FOLLOWS:

Name and Designation of the Director	Category	Number of Board Meetings during 2018-19		Whether attended last AGM	No of Directorships in other companies		No of Committees positions held in other Public Companies	
		Held	Attended		Chairman	Member	Chairman	Member
VASUDEVAN MAHALINGAM	Executive Director, chairperson and Managing Director	10	7	Yes	1	0	0	0
KEERTI SARASWAT	Non-Executive Independent Director	10	5	No	0	1	0	0
PASUPATHI RAJU	Non-Executive Independent Director	10	6	Yes	0	1	0	0
BASHYAM RANGARAJAN	Non-Executive Independent Director	10	6	Yes	0	1	0	0
MANIMALA VASUDEVAN	Executive Director	10	6	Yes	0	1	0	0
VIJAYAKUMAR MADHAVAN	Executive Director	10	6	Yes	0	1	0	0

Therefore, as on March 31, 2019, the Board consisted of 6 members, of which, one is the Promoter Director, Dr. M. Vasudevan, who is designated as Managing Director and Chief Executive Officer of the company.

The other 5 Directors, three are Independent Non-Executive Directors, of which one is Woman Independent Director, two are Executive Directors

FREQUENCY AND LENGTH OF MEETING OF THE COMMITTEES OF THE BOARD AND AGENDA

The Chairman of each Committee of the Board, in consultation with the Chairman of the Board and appropriate members of the management determine the frequency and length of the meetings of the Committees and develop the Committees agenda. The agenda of the Committee meetings is shared with all the members of the Committee.

Equity shares held by Non-Executive Directors

Dr. Pasupathi Raju holding 13765 shares, which is 0.11 % of the total shares

RISK MANAGEMENT

The Company has established robust risk assessment and minimisation procedures, which are reviewed by the Board periodically. The Company has a structure in place to identify and mitigate the various risks that would be faced by it from time to time. The risks are reviewed periodically, new risks if any, are identified, assessed, and control measures are designed to put in place fixed timeline for mitigating the risk

BOARD MEETINGS - FUNCTIONING AND PROCEDURE

Board Meeting - Calendar: The probable dates of the board meetings for the forthcoming year are decided in advance and published as part of the Annual Report.

Board Meeting - Frequency: The Board meets at least once a quarter to review the quarterly results and other items of the agenda. Whenever necessary, additional meetings are held. In case of business exigencies or urgency of matters, resolutions are passed by circulation.

The company effectively uses teleconferencing facilities to enable the participation of Directors who could not attend the meetings due to some exigencies.

Board Meeting - Location: The location of the Board meetings is informed well in advance to all the Directors. Each director is expected to attend the Board meetings.

Board Meeting - Matters: All divisions / departments of the company are advised to schedule their work plans in advance, particularly regarding matters requiring discussions / approval / decision of the Board / Committee meetings. All such matters are communicated to the company Secretary in advance so that the same could be included in the Agenda for the Board / Committee meetings.

Board material / Agenda distributed in advance: The agenda for each board meeting is circulated in advance to the Board members. All material information is incorporated in the agenda facilitating meaningful and focused discussions in the meeting. Where it is not practicable to attach any document in the agenda, the same is tabled before the meeting. Every board member is free to suggest items for inclusion in the agenda.

Presentations by management: The Board is given presentations covering finance, sales, marketing, major business segments and operations of the company, global business environment including business opportunities, business strategy and the risk management practices before taking on record the financial results of the company.

Access to employees: The directors are provided free access to officers and employees of the company. Management is encouraged to invite the company personnel to any Board meeting at which their presence and expertise would help the Board to have a full understanding of the matters being considered.

Availability of information to Board members: The information placed before the Board includes annual operating plans and budgets, including operating and capital expenditure budgets, quarterly financial results of the company both consolidated and standalone basis, financials of each of the subsidiaries and investments made by the subsidiaries, risk assessment and minimization procedures, update on the state of the market for the business and the strategy, minutes of subsidiaries, minutes of all the Board committees, related party transactions, details of the treasury investments, details of foreign exchange exposure, update on statutory compliance report and reports of non-compliances, if any, information on recruitment / remuneration of senior officers, show cause / demand notices if any, details of joint ventures or collaboration agreements, significant changes in the accounting policies, sale of any material nature etc.

Post meeting follow-up mechanism: The guidelines for Board and Committee(s) meetings facilitate an effective post meeting follow up review and reporting process for the decisions taken by the Board and Committee(s) thereof. The important decisions taken at the Board / Committee(s) meetings are promptly communicated to the concerned departments / divisions.

Action taken report on the decisions of the previous meeting(s) is placed at the immediately succeeding meeting of the Board / Committee(s) for information and review by the Board / Committee(s).

CODE OF CONDUCT

The Company has adopted the Code of Conduct for all its employees including the Managing Director and Executive Directors which is available in the website of the Company.

The Board has also adopted a Code of Conduct for Non-Executive Directors of the Company which incorporates the duties of the Independent Directors as laid down in Schedule IV to the Act which is available on the website of the Company.

All the Board Members and Senior Management Personnel (as per Regulation 26 (3) of the Listing Regulations) have affirmed compliance with the applicable Code of Conduct. A declaration to this effect signed by the Managing Director & CEO forms part of this report.

Senior management of the Company have made disclosures to the Board confirming that there are no material financial and/or commercial transactions between them and the Company that could have potential conflict of interest with the Company at large.

INDEPENDENT DIRECTORS

All the Independent Directors of the Company have been appointed as per the provisions of the Act and SEBI LODR 2015 as amended. Formal letters of appointment have been issued to Independent Directors. The terms and conditions of their appointment are disclosed on the Company's website.

DECLARATION BY INDEPENDENT DIRECTORS

Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The company has received necessary declarations from each Independent Director that he / she meets the criteria of independence in terms of the above-mentioned provisions.

INDEPENDENT DIRECTORS' MEETINGS

In terms of the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015, the Independent Directors of the company shall meet at least once in a year, without the presence of Executive Directors and members of management. The Independent Directors met on January 18, 2019 and inter-alia discussed

- the performance of non-Independent Directors and the Board as a whole;
- the performance of the Chairperson of the company, taking into account the views of Executive Directors and Non- Executive Directors; and
- the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

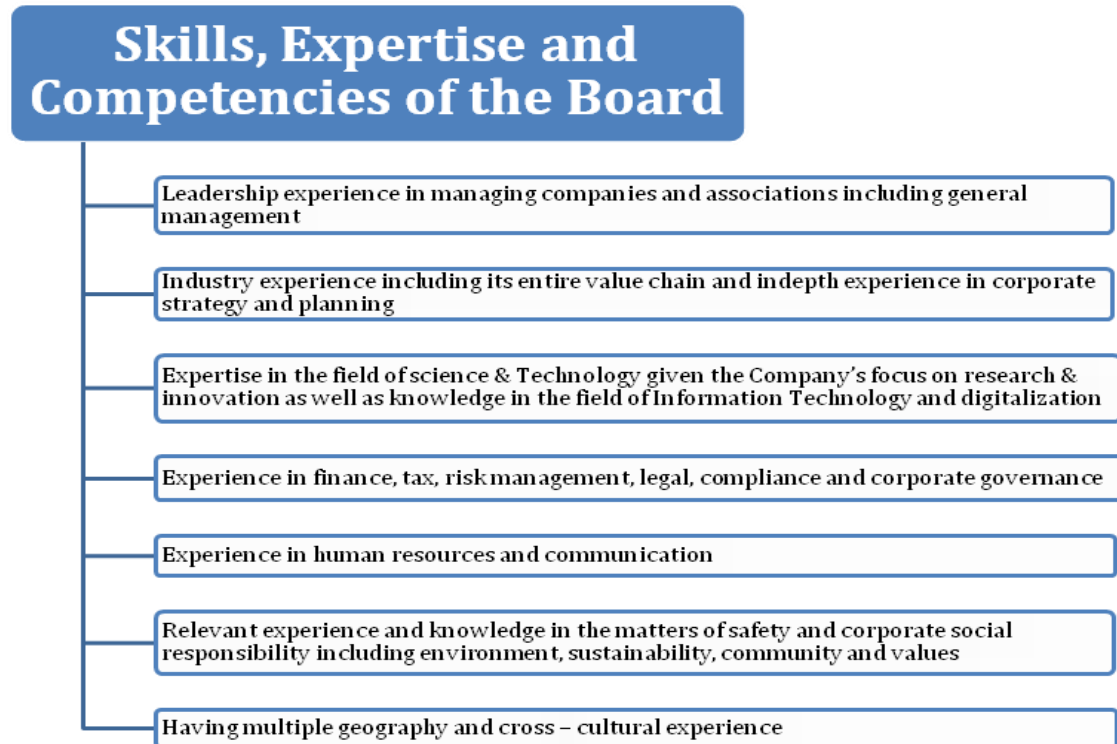
The Directors are provided with necessary documents, reports and internal policies to enable them to familiarize with the company's procedures and practices. Further, periodic presentations are made at the Board and its Committee Meetings, on business and performance updates of the company, global business environment, business strategy and risks involved. Quarterly updates on relevant statutory changes are provided to the Directors in the Board meetings.

Upon appointment, the Directors are issued a Letter of Appointment setting out in detail the terms of employment including their roles, function, responsibilities and their fiduciary duties as a Director of the company.

The details of such familiarization programme for Independent Directors are posted on the website of the company and are available at <https://www.calsoftgroup.com/investors/governancepolicies>.

SKILLS, EXPERTISE AND COMPETENCIES OF THE BOARD

The Board of Directors has, based on the recommendations of the Nomination and Remuneration Committee ("NRC"), identified the following core skills/ expertise/competencies of Directors as required in the context of business of the Company for its effective functioning:

**BOARD EVALUATION**

The Board of Directors, pursuant to the provisions of the Companies Act, 2013 and Regulation 17 (10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has carried out an Annual Evaluation of its own performance, performance of the Board Committees and of the individual Directors (including the Independent Directors and the Chairperson).

The checklist for evaluation of the performance of the Board, the Committees of the Board and the individual Directors, including the Chairman of the Board was approved by the Nomination and Remuneration Committee (NRC) of the company (in accordance with the Guidance Note on Board Evaluation issued by SEBI on January 5, 2017).

The performance of the Board was evaluated by the Board after seeking inputs from all the directors based on the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc. The performance of the Board Committees was evaluated by the Board after seeking inputs from the committee members based on the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the NRC reviewed the performance of the individual Directors based on the criteria such as the contribution of the individual Director to the Board and Committee meetings, preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of the Independent Directors, the performance of Non-Independent Directors, performance of the Board and performance of the Chairman was evaluated. The same was discussed in the Board meeting that followed the meeting of the Independent Directors, at which the performance of the Board, its committees and the individual directors was discussed.

AUDIT COMMITTEE

Terms of reference

The Audit Committee functions in accordance with Section 177 of the Act, Regulation 18 of the Listing Regulations and its Charter adopted by the Board. During the year under review, the Audit Committee Charter was amended to align the role of the Committee with amendments to the Listing Regulations and SEBI (Prohibition of Insider Trading) Regulations, 2015. The terms of reference of the Audit Committee, inter alia, includes:

- Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Discuss and review with the management the annual/ half yearly/ quarterly financial statements and the auditor's report thereon, before submission to the Board for approval.
- Review of the Company's accounting policies, internal accounting and financial controls, risk management policies and such other matters.
- Discuss with the statutory auditors, before the audit commences, about the nature and scope of audit, as well as post-audit discussion to ascertain any area of concern.
- Hold timely discussions with the statutory auditors regarding critical accounting policies and practices and significant financial reporting issues and judgments made.
- Recommend to the Board the appointment, re-appointment and, if required, the replacement or removal of statutory auditors, remuneration and terms of appointment of auditors, fixation of audit fees and to approve payment for any other services rendered by the statutory auditors.
- Review and monitor the auditor's independence, qualification and performance and effectiveness of audit process.
- Review with the management, performance of the statutory and internal auditors.
- Review the adequacy of the internal audit function and the adequacy and efficacy of the internal control systems, including the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, budget, coverage and frequency of internal audit.
- Evaluate internal financial controls and risk management systems.
- Scrutinize inter-corporate loans and investments.
- Review the utilization of loans and/or advances from/ investment by the Company in the subsidiary Companies, exceeding `100 crores or 10% of the asset size of the subsidiary, whichever is lower.
- Discuss any significant findings with internal auditors and follow-up thereon.
- Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board.
- Look into the reasons for substantial defaults in payments to depositors, debenture holders, shareholders and creditors.
- Approve transactions, including any subsequent modifications, of the Company with related parties.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Review and monitor the statement of use and application of funds raised through public offers and related matters.
- Review the functioning of the Whistle Blower mechanism.
- Review the effectiveness of the system for monitoring compliance with laws and regulations and oversee compliance with legal and regulatory requirements, including the Tata Code of Conduct for the Company and its subsidiaries.

- Provide guidance to the Compliance Officer for setting forth policies and implementation of the Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices.
- Review compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, atleast once in a financial year and verify that the systems for Internal Controls are adequate and are operating effectively.
- Oversee financial reporting controls and process for subsidiary companies.
- Approve the appointment of the Chief Financial Officer after assessing the qualifications, experience and background of the candidate.
- Generally, all items listed in Part C of Schedule II to the Listing Regulations and in Section 177 of the Act and any other function as is mentioned in the terms of reference of the Audit Committee.

MEETINGS HELD

During the financial year ended March 31, 2019, the Audit Committee met four times on May 28, 2018, August 14, 2018, November 14, 2018 and January 05, 2019. The gap between the two Audit Committee meetings did not exceed 120 days. Necessary quorum was present at the above meetings. The meetings of the Audit Committee are usually attended by the Managing Director & CEO, the Chief Financial Officer, and a representative of the Statutory Auditors. The Business and Operation Heads are invited to the Meetings, when required. The Company Secretary acts as the Secretary to the Committee. Occasionally, the Audit Committee also meets without the presence of any Executives of the Company. The Chairperson periodically has one-on-one meetings with the Statutory Auditors to discuss key concerns.

Composition and attendance during the year AUDIT COMMITTEE MEETINGS AND COMPOSITION					
Directors	28.05.2018	14.08.2018	14.11.2018	05.01.2019	Remarks
Mr. B. Rengarajan [Non Executive Independent Director (Chairperson)]	✓	✓	✓	✓	Appointed on the committee wef 26.06.2018
Mr. Pasupathy Raju [Non Executive Independent Director]	✓	✓	✓	✓	Appointed on the committee wef 01.04.2018
Mr. Manimala Vasudevan [Executive Director]	✓	✓	✓	✓	Appointed on the committee wef 08.06.2018
Mrs. Keerti Saraswat [Non Executive Independent Director (Chairperson)]	NA	NA	✓	✓	Appointed on the Committee wef 01.10.2018

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 of and the provision of Section 177(8) read with Rule 6 of the Companies (Meeting of Board and its Powers) Rules 2014 the company has duly constituted a qualified and independent Audit Committee. The Audit Committee of the Board consisting of three "Non-Executive & Independent Directors" as members having adequate financial and accounting knowledge. The composition, procedures, powers and role/functions of the audit committee and its terms of reference are set out in the corporate governance report forming part of the Board's report.

During the period under review, the suggestions put forth by the Audit Committee were duly considered and accepted by the Board of Directors. There were no instances of non- acceptance of such recommendations.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprises of three Non-Executive Independent Directors as on 31st March 2019. The Chairman of the Committee is an Independent Director. The said committee comprises of Mrs. Keerti Saraswat, Mr. Pasupathy Raju and Mr. Bashyam Rangarajan. The Company Secretary acts as the Secretary of the Committee.

The role of the Remuneration Committee is:

- a) To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down;
- b) To recommend to the Board the appointment and removal of such identified persons;
- c) To carry out evaluation of every director's performance;
- d) To formulate the criteria for determining qualifications, positive attribute, and independence of director;
- e) To formulate a policy relating to remuneration for directors, key managerial personnel and other employees;
- f) To devise a policy on Board diversity;
- g) The Committee has met 4 times during the financial year 2018-19 on 8th June, 2018, 31st August, 2018, 14th November, 2018 and 5th January, 2019.

NOMINATION AND REMUNERATION COMMITTEE MEETINGS AND COMPOSITION					
Directors	08.06.2018	31.08.2018	14.11.2018	05.01.2019	Remarks
Mr. B. Rengarajan [Non Executive Independent Director (Chairperson)]	✓	✓	✓	✓	Appointed on the Committee wef 26.06.2018
Mr. Pasupathy Raju [Non Executive Independent Director]	✓	✓	✓	✓	Appointed on the committee wef 01.04.2018
Mr. Vijayakumar Madhavan [Non Executive Independent Director]	✓	✓	NA	NA	Removed from the committee wef 10.10.2018
Mrs. Keerti Saraswat	NA	NA	✓	✓	Appointed on the Committee wef 01.10.2018

The Terms of Reference of the Nomination and Remuneration Committee are as under:

- Succession planning for certain key positions in the company viz. Directors, Chief Executive Officer (CEO), Chief Operating Officer (COO), Chief Financial Officer (CFO) and Senior Management. The Committee to identify, screen and review candidates, inside or outside the company and provide its recommendations to the Board.
- Review and recommend to the Board the appointment and removal of directors / Key Managerial Personnel and persons in senior management. "Senior Management" shall mean corporate officers of the company.
- Carry out evaluation of all Directors and Board performance.
- Recommend to the Board a policy relating to remuneration of Directors, Key Managerial Personnel and other employees.

The Nomination and Remuneration Committee while formulating the aforesaid policy shall ensure that-

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

- Formulate the criteria for determining the qualifications, positive attributes and independence of Directors.
- Devise a Policy on Board Diversity.
- Review and approve / recommend the remuneration for the Corporate Officers, / Whole-Time Directors of the company.
- Approve inclusion of senior officers of the company as Corporate Officers.
- Approve promotions within the Corporate Officers.
- Regularly review the Human Resource function of the company.
- Approve grant of stock options to the employees and / or Directors (excluding Independent Directors and Promoter Directors) of the company and subsidiary companies and perform such other functions and take such decisions as are required under the various Employees Stock Option Plans of the company.
- Discharge such other function(s) or exercise such power(s) as may be delegated to the Committee by the Board from time to time.
- Make reports to the Board as appropriate.
- Review and reassess the adequacy of this charter periodically and recommend any proposed changes to the Board for approval from time to time.

POLICY ON SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his/her appointment, as per Company's Policy;
- b) The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient/satisfactory for the position;
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years, provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution;

REMUNERATION POLICY AND CRITERIA OF MAKING PAYMENTS TO EXECUTIVE AND NON-EXECUTIVE DIRECTORS

The remuneration policy of the company is aimed at rewarding performance, based on a review of achievements on a regular basis and is in consonance with existing industry practices.

The criteria for making payments to Executive and Non-Executive Directors of the company are as under:

Executive Directors

The remuneration of the Executive Directors is recommended by the Nomination and Remuneration Committee to the Board and after approval by the Board the same is put up for shareholders' approval. Executive Directors do not receive any sitting fees for attending the Board and Committee meetings.

During the year, the Board comprised of one Executive Director. There are no separate provisions for the service of notice period and payment of severance fee by the Executive Directors at the time of their termination.

Non-Executive Directors:

During the year, the company did not pay any sitting fees to its Non- Executive Directors for attending the meetings of the Board of Directors, Audit Committee and Finance Committee of the company. The company also not paid commission to its Non-Executive Directors.

Remuneration paid to executive directors				
Name & Designation of the Executive Director	Salary & Allowances (rs.)	Contribution to PF & other Funds (Rs.)	Other perquisites or benefits including medical expenses reimbursed and car facility provided (Rs.)	Total
Mr.Vijayakumar Madhavan	3,00,000	NIL	NIL	3,00,000

SUCCESSION PLANNING

The Nomination and Remuneration Committee evaluates and recommends to the Board on the leadership succession plan to ensure orderly succession in appointments to the Board and to the Senior Management. In addition promoting senior management within the organization fuels the ambitions of the talent force to earn future leadership roles.

STAKEHOLDERS GRIEVANCE COMMITTEE (FORMERLY KNOWN AS SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE)

The Company has a Stakeholders Grievance Committee (formerly known as Shareholders'/Investors' Grievance Committee) of the Board of Directors to look into the redressal of complaints of shareholders'/investors' such as transfer or credit of shares, non-receipt of dividend/notices/annual reports, etc.

During the year, the Stakeholders Grievance Committee (formerly known as Shareholders'/Investors' Grievance Committee) comprises of four members of the Board, as on 31st March 2019 namely Mr. Bashyam Rangarajan, Mr. Pasupathy Raju, Mrs. Keerti Saraswat and Mr. Vasudevan Mahalingam. Among the members, three of them are Non-Executive and Independent Directors and one Executive Director. The Company Secretary acts as the Secretary of the Committee.

The Committee has met 3 times during the financial year 2018-19 on 28th May, 2018, 14th November, 2018 and 5th January, 2019

STAKEHOLDERS RELATIONSHIP COMMITTEE MEETINGS AND COMPOSITION				
Directors	28.05.2018	14.11.2018	05.01.2019	Remarks
Mr. B. Rengarajan [Non Executive Independent Directors]	✓	✓	✓	Appointed on committee wef 26.06.2018
Mrs. V. Manimala [Executive Director]	✓	NA	NA	Removed from committee wef 10.10.2018
Mr. Vijayakumar Madhavan [Executive Director, Chairperson]	✓	NA	NA	Removed from committee wef 10.10.2018
Mrs. Keerti Saraswat [Non Executive Independent Director]	NA	✓	✓	Appointed on committee wef 01.10.2018
Mr. Pasupathy Raju [Non Executive Independent Director]	NA	✓	✓	Appointed on committee wef 01.10.2018
Mr. Vasudevan Mahalingam [Executive Director]	NA	✓	✓	Appointed on committee wef 01.10.2018

REPORT ON CORPORATE GOVERNANCE

The Committee supervises the mechanism for redressal of shareholders'/investors' grievances and ensures cordial investor relations.

The Committee takes care of the following matters:

- Redressal of Shareholders'/Investors' complaints like transfer of shares, non-receipt of annual report, non-receipt of declared dividend etc.
- Scrutiny of the performance of the Registrar & Share Transfer Agent and recommending measures for overall improvement of the quality of service.
- Any allied matter(s) out of and incidental to these functions and not herein above specifically provided for

Details of Complaints received during the year

Number of complaints received from investors	-	0
Number of complaints resolved	-	0
Number of complaints remaining unresolved and pending	-	0

NATURE OF COMPLAINTS RECEIVED AND REDRESSED DURING 2018-19		
SL. NO.	NATURE OF COMPLAINTS	RECEIVED & REDRESSED DURING THE YEAR
1	Corresponding regarding demat / general	0
2	Correspondence regarding non-receipt of share certificate, transfer / transmission of shares	0
3	Revalidation of dividend warrants / non-receipt of dividend warrants / status of dividend payment	0

Compliance Officer

The Name and designation of the Compliance Officer of the Company:

Mr. Uma Shankar Sharma, Company Secretary & Compliance Officer

2nd Floor, Unit 9, STPI Building 5, Rajiv Gandhi Road, Taramani, Chennai – 600113

Ph: 9884223183

Email ID: shankar_mayur@hotmail.com

OTHER COMMITTEES

Risk Management Committee, Finance Committee and CSR Committee were dissolved due to non requirement of those Committees. However when the need arise in future the same shall be reconstituted by the board.

INDEPENDENT DIRECTORS MEETING

During the year under review, the Independent Directors met one time during the year inter alia, to discuss:

1. Evaluation of the performance of Non Independent Directors and the Board of Directors as a Whole;
2. Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non Executive Directors;
3. 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 were present at the meeting.

DECLARATION BY INDEPENDENT DIRECTORS

Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The company has received necessary declarations from each Independent Director that he / she meets the criteria of independence in terms of the above-mentioned provisions.

TRAINING AND FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

The Directors are provided with necessary documents, reports and internal policies to enable them to familiarize with the company's procedures and practices. Further, periodic presentations are made at the Board and its Committee Meetings, on business and performance updates of the company, global business environment, business strategy and risks involved. Quarterly updates on relevant statutory changes are provided to the Directors in the Board meetings.

Upon appointment, the Directors are issued a Letter of Appointment setting out in detail the terms of employment including their roles, function, responsibilities and their fiduciary duties as a Director of the company.

Every independent director on being inducted into the Board attends an orientation program. To familiarise the new directors with the strategy, operations and functions of our Company, the executive directors/senior managerial personnel make presentations to the inductees about the Company's strategy, operations, product offerings, organisation structure, human resources, technologies, facilities and risk management.

Further, at the time of appointment of independent directors, the Company issues a formal letter of appointment outlining his/her role, functions, duties and responsibilities as a director. The detailed familiarisation program for independent directors is hosted on the website of the Company and the weblink for same is www.calsoftgroup.com

The details of such familiarization programme for Independent Directors are posted on the website of the company and are available at <https://www.calsoftgroup.com/investors/governancepolicies>

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, an annual performance evaluation of the performance of the Board, the Directors individually as well as the evaluation of the working of the Board Committees was carried out based on the criteria and framework adopted by the Board.

The Independent Directors evaluation was done with main focus on their adherence to the Corporate Governance practices and their efficiency in monitoring the same. They are also being evaluated on various parameters viz., active participation in strategic planning, fiduciary responsibilities, participation in Board and Committee meetings, etc.,

Apart from the above, the performance of Non Independent Directors and the Board as a whole in terms of prudent business practices adopted by them towards governance of the operations of the Company, adherence to the highest standards of integrity and business ethics, exercising their responsibilities in bona fide manner in the best interest of the Company and not allowing any extraneous consideration that shall impede their decision making authority in the best interest of the Company was also carried out to evaluate their performance.

The performance evaluation of the Non Independent Directors was carried out by the entire Board of Directors (excluding the director being evaluated). The Directors expressed their satisfaction with the evaluation process which considered their commitment and the exercise of their responsibilities in the best interest of the Company. The performance of the Chairman of the Company was reviewed by the Independent Directors who ensured during their review, that the Chairman conducted the Board proceedings in unbiased manner without any conflict with his personal interest at any point of time. It was

further ascertained by the Independent Directors that the Chairman allowed the Board Members to raise any concerns on any businesses of the Board during their Meetings and addressed them at the best interest of the Company.

SUBSIDIARY COMPANIES

Regulation 16(1)(c) of the Listing Regulations defines a material subsidiary as a subsidiary, whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year. During the year under review, the Company did not have any unlisted material subsidiary incorporated in India and was therefore, not required to have an Independent Director of the Company on the Board of such subsidiary, under Regulation 24 of the Listing Regulations. The Company's Audit Committee reviews the consolidated financial statements of the Company as well as the financial statements of the subsidiaries, including the investments made by the subsidiaries. The minutes of the Board Meetings, along with a report of the significant transactions and arrangements of the unlisted subsidiaries of the Company are periodically placed before the Board of Directors of the Company. The company has formulated and adopted a Policy for determining Material Subsidiary in line with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Policy aims to set out the principles for determining a material subsidiary. The Policy on the Material Subsidiary is available on the website of the company at <https://www.calsoftgroup.com/investors/governance-policies>.

GENERAL BODY MEETINGS

The location and time of the Annual General Meetings/ Extra General Body Meeting held and details of Special Resolution passed thereat during the preceding 3 years are as follows:

DATE, TIME AND VENUE OF THE LAST THREE AGM'S			
FINANCIAL YEAR	DATE	TIME	VENUE
2015-16	28 th September, 2016	09.30 AM	RVC Towers, Pallikaranai, Chennai
2016-17	28 th September, 2017	10.00 AM	RVC Towers, Pallikaranai, Chennai.
2017-18	29 th September, 2018	3.00 PM	2nd Floor, Unit 9, STPI Building, 5 Rajiv Gandhi Road, Taramani, Chennai - 600113

There was no Extra Ordinary General Meeting of the Company held during the year 2018-19.

DISCLOSURES

MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS

There have been no materially significant related party transactions, monetary transactions or relationships between the company and its Directors, management, subsidiary or relatives, except for those disclosed in the financial statements for the financial year 2017-18. Detailed information on materially significant related party transactions is enclosed in Annexure 2 to the Board Report. A Policy on Related Party Transactions formulated pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into by the company with the Stock Exchanges and approved by the Board is available on the website of the company at <https://www.calsoftgroup.com/investors/governance-policies>.

RELATED PARTY TRANSACTIONS

During the year under review, the company has not entered into any transaction of a material nature with its subsidiaries, promoters, Directors, the management, senior management personnel, their relatives, etc., that may have any potential conflict with the interest of the company. The company has obtained requisite declarations from all Directors and senior management personnel in this regard and the same were placed before the Board of Directors.

COMPLIANCES BY THE COMPANY

The company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years. No penalties or strictures have been imposed on the company by the Stock Exchanges, SEBI or any other statutory authorities relating to the above.

OTHER DISCLOSURES

1. The company has in place the Whistle Blower Policy and no personnel has been denied access to the Audit Committee.
2. During the year, the company did not raise any money through public issue, right issues or preferential issues and there was no unspent money raised through such issues.
3. In terms of the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company has in place an "Archival Policy" and a "Policy for Determination of Materiality of Events or Information". Both the policies are available on the website of the company at <https://www.calsoftgroup.com/investors/governance-policies>.

CEO / CFO CERTIFICATION

The Certificate as stipulated in Regulation 17 (8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Part B of Schedule II was placed before the Board along with the financial statements for the financial year ended March 31, 2019 and the Board reviewed the same. The said Certificate is provided elsewhere in the Annual Report.

WHISTLE BLOWER POLICY

The principles of trust through transparency and accountability are at the core of the company's existence. To ensure strict compliance with ethical and legal standards across the company, a Whistle Blower Policy is in place to provide appropriate avenues to the Directors, employees, contractors, contractors' employees, clients, vendors, internal or external auditors, consultants, law enforcement / regulatory agencies or other third parties to bring to the attention of the management any issues which are perceived to be of unethical behaviour, actual or suspected fraud or violation of the company's Code of Business Ethics and Conduct. All cases registered under the Whistle Blower Policy of the company are reported to the external Ombudsperson who carries out preliminary investigations. Complaints received against senior management staff are overseen by the Chairman's Office and those against other employees / staff by the Chief Ethics Officer of the company. The Whistle Blower has direct access to the Chief Ethics Officer and the Ombudsperson as well as the senior management to share complaint details. The identity of the Whistle Blower is kept confidential. The Audit Committee reviews the policy and its implementation on periodic basis and is provided a quarterly update on the status of various complaints received and investigated. The policy is available on the website of the company at <https://www.calsoftgroup.com/investors/governance-policies>.

CODE FOR PREVENTION OF INSIDER TRADING

SEBI vide its Circular No. LD-NRO/GN/2014-15/21/85 dated 15th January, 2015 have introduced SEBI (Prohibition of Insider Trading) Regulations, 2015, effective from 15th May 2015. Regulation 8 contained under Chapter IV of SEBI (Prohibition of Insider Trading) Regulations, 2015 mandates listed companies to formulate a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (hereinafter referred to as "Code") and Regulation 9 (1) contained under Chapter IV of SEBI (Prohibition of Insider Trading) Regulations, 2015 mandates listed companies to formulate a Code of Conduct (hereinafter referred to as "Code") to regulate, monitor and report trading by its employees and other connected persons, towards achieving compliance with the said Regulations, adopting the minimum standards, set out in Schedule B to the Regulations. In compliance with the above SEBI regulation on Prevention of Insider Trading, the Company has instituted a comprehensive code of conduct and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information for its management and staff. The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of the Company and cautioning them of the consequences of violations. Dealings

in Company's shares by the Board Members and Senior Management Personnel have been reported to the Committee periodically.

The company, within two working days of receipt of the information under the Initial and Continual disclosures from Directors, discloses the same to all the Stock Exchanges, where the shares of the company are listed.

FEES PAID TO STATUTORY AUDITOR

A total fee of one lakh- was paid by the Company and its subsidiaries, on a consolidated basis, for all services to N Balasubramanian & Associates, Statutory Auditors.

PREVENTION AND REDRESAL OF SEXUAL HARASMENT AT WORKPLACE POLICY

In order to provide a safe and healthy work environment free of any hassles and all kinds of harassment including sexual harassment and to prevent and redress such harassment complaints, the company has in place Prevention and Redressal of Sexual Harassment at Workplace Policy. This policy applies to all employees of the company, its group companies and joint ventures operating out of India like regular, temporary, ad hoc, daily wagers, contractual staff, vendors, clients, consultants, trainees, probationers, apprentices, contract labour and also all visitors to the company.

Any complaints about harassment shall be treated under this Policy. This Policy is not confined to the actual working place of the employees in the sense of the physical space in which paid work may be performed as per the prescribed duty hours but also includes any place visited by the employee arising out of or during the course of employment. The company has constituted a committee for the redressal of all sexual harassment complaints. These matters are also being reported to the Audit Committee. During the year ended March 31, 2019, the company has received xx complaints on sexual harassment that were classified as significant incidents for investigation, all of which were disposed and appropriate actions taken and no complaints remain pending as of March 31, 2019.

COMPLIANCE WITH MANDATORY AND NON-MANDATORY REQUIREMENTS OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 provides certain mandatory requirements which have to be fulfilled by the company. The company has complied with all the mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 further states certain nonmandatory requirements which may be implemented as per the discretion of the company. The company complies with the following non-mandatory requirements:

1. Shareholders' Rights

The Company regularly does statutory filings as required under in SEBI (LODR) Regulations, 2015 and also updates the website of the Company on regular basis. The financial results as when approved by the Board are hosted in the investor column of the Company's website from which any shareholders can easily access and obtain the requisite information on the Company.

2. Audit Qualifications

The Auditors Qualification and the Directors Reponses to the same are covered in the Directors Report already.

3. Separate posts of CFO and CEO

The positions of the CFO and the CEO are held by separate individuals.

4. Reporting of Internal Auditor

The Internal Auditor of the company directly reports to the Audit Committee on functional matters.

5. Compliance Certificate on the Corporate Governance from the Auditors

The certificate dated August 14, 2019 obtained from Statutory Auditors of the company, M/s. N. Balasubramanian Associates, confirming compliance with the Corporate Governance requirements as stipulated under Schedule V read with Regulation 34 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed hereto.

MEANS OF COMMUNICATION

Quarterly Results: Quarterly Results of the company are generally published inter alia, in Business Standard, Malai Sudaar, Economic Times and The Hindu

Website: company's corporate website <https://www.calsoftgroup.com> provides comprehensive information on company's portfolio of businesses. The website has an entire section dedicated to company's profile, its core values, corporate governance, business lines and Industry sections. An exclusive section on 'Investors' enables them to access information at their convenience. The entire Reports as well as quarterly, half yearly, annual financial statements, releases and shareholding pattern are available in downloadable format as a measure of added convenience to the investors.

News Releases, Presentations, etc.: Official news releases, detailed presentations made to media, analysts, institutional investors, etc. are displayed on the company's website www.calsoftgroup.com, Official media releases are also sent to the Stock Exchanges.

Annual Report: Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Director's Report, Auditor's Report, Management Discussion and Analysis Statement, Corporate Governance Report and other important information is circulated to members and others entitled thereto. The Annual Report of the company is available on the company's website in a user-friendly and downloadable form.

Intimation to the Stock Exchanges: The company intimates the Stock Exchanges all price sensitive information or such other matters which in its opinion are material and of relevance to the Shareholders.

NSE Electronic Application Processing System: As per the mandate received from National Stock Exchange of India Limited ('NSE'), the company has been uploading its financial information, shareholding pattern, Report on Corporate Governance and press releases on the dedicated website of NSE i.e. <https://connect2nse.com/LISTING>.

Online Portal-BSE Corporate Compliance & Listing Centre: As per the mandate received from BSE Limited ('BSE'), the company has been uploading its financial information, shareholding pattern, Report on Corporate Governance and press releases on the dedicated website of BSE i.e. <http://listing.bseindia.com>.

Designated Exclusive email- id: The Company has the following designated e-mail ID: investors@calsoftgroup.com exclusively for investors servicing.

GENERAL SHAREHOLDER INFORMATION

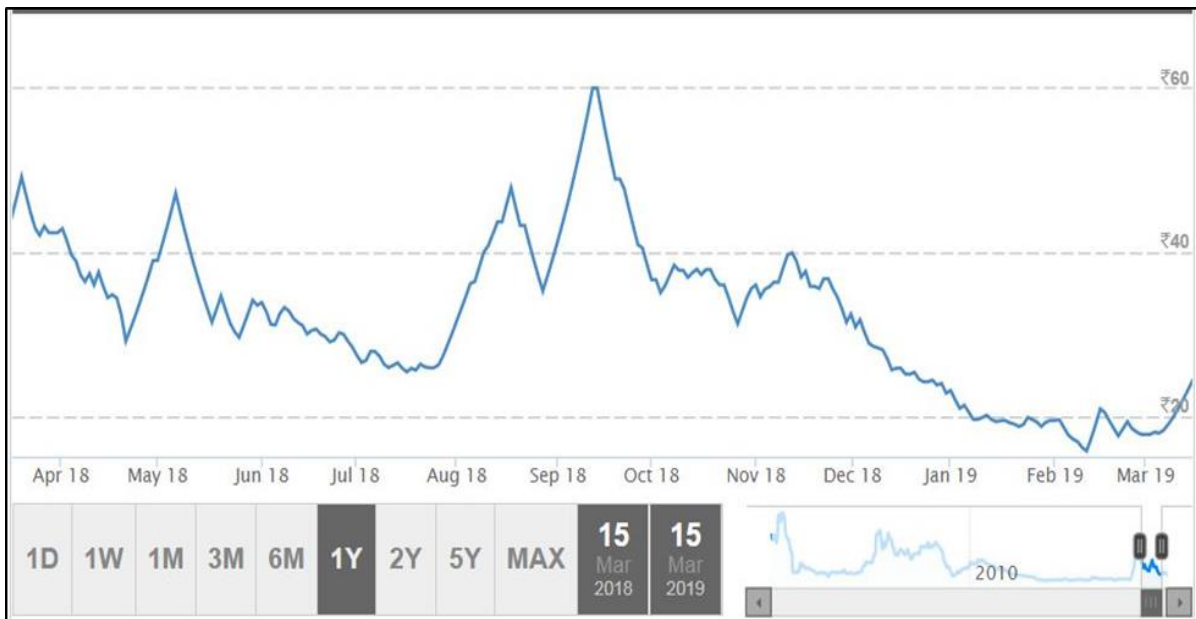
a	Annual General Meeting: Date Time Venue	Monday, September 30, 2019 3:00 P.M. Registered Office
b	Financial Year	01st April 2018 to 31st March 2019
c	Date of Book Closure	September 29, 2019 to September 30, 2019 (both days inclusive)
d	Dividend Payment Date (subject to approval of shareholders)	N.A.
e	Listing of Equity Shares on stock exchanges in India	The National Stock Exchange of India Ltd. (NSE) Exchange Plaza, 5th Floor, Plot No. C / 1, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400 051, India. Tel.: +91-22-26598236, Fax: +91-22-26598237 BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001, India Tel.: +91-22-22721233, Fax: +91-22-22723121
f	Stock Codes	NSE – CALSOFT BSE – 532386
g	ISIN for Equity Shares	INE526B01014
h	Listing of Non-Convertible Debentures on stock exchanges in India at	N.A.
i	Debenture Trustee	N.A.
j	ISIN for Debentures	N.A.
k	Listing Fees	Paid to all Stock Exchanges for the year 2018-19
l	Corporate Identification Number (CIN) of the Company	L72300TN1992PLC022135
m	Registered Office	2nd Floor, Unit 9, STPI Building, 5 Rajiv Gandhi Road, Taramani, Chennai 600 113.

STOCK MARKET PRICE DATA

The details of monthly high and low price of the Equity Shares of the company and its comparison to broad based indices BSE Sensex and NSE Nifty for period April 1, 2018 to March 31, 2019 are as follows:

Month	NSE		BSE	
	High	Low	High	Low
Apr-18	44.00	28.15	43.50	27.60
May-18	49.50	28.30	48.95	29.00
Jun-18	35.50	27.60	35.55	28.50
Jul-18	30.10	24.60	31.45	24.30
Aug-18	48.00	31.00	49.50	30.10
Sep-18	62.90	38.50	62.70	39.35
Oct-18	40.15	30.75	40.25	31.00
Nov-18	41.60	31.00	42.50	32.50
Dec-18	32.50	22.80	32.50	23.50
Jan-19	23.95	18.30	24.10	18.25
Feb-19	21.55	15.65	22.30	14.60
Mar-19	25.85	17.10	25.00	18.25

PERFORMANCE OF THE SHARE PRICE OF THE COMPANY IN COMPARISON WITH BSE SENSEX AND NSE NIFTY



REGISTRARS AND TRANSFER AGENTS

Name and Address :

Integrated Registry Management Services Private Limited
(Unit: California Software Co Ltd)
2nd Floor, Kences Towers,
1, Ramakrishna Street, North Usman Road T Nagar, Chennai - 600017 India
Tel: +91-44- 28140801 to 28140803
Email: yuvraj@integratedindia.in

INVESTOR CORRESPONDENCE ADDRESS

California Software Company Limited
Secretarial Department
2nd Floor, Unit 9, STPI Building 5,
Rajiv Gandhi Road,
Taramani
Chennai 600113

SHARE TRANSFER SYSTEM

More than 99 % of the equity shares of the company are in dematerialized form. Transfer of these shares are done through the depositories with no involvement of the company. For the transfer of shares held in physical form, the authority has been delegated to the company's officials who generally consider and approve the share transfer requests on a fortnightly basis.

The shares sent for physical transfer are generally registered and returned within a period of 15 days from the date of receipt of request, subject to documents being valid and complete in all respects. As per the requirement of Regulation 40 (9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company has obtained half-yearly certificates from Practicing company Secretary for due compliance of share transfer formalities and filed the same with the Stock Exchanges.

As on March 31, 2019, no equity share was pending for transfer.

RECONCILIATION OF SHARE CAPITAL AUDIT REPORT

As required under Regulation 55A of SEBI (Depositories and Participants), Regulations, 1996, the reconciliation of share capital audit report on the total admitted capital with National Securities Depository Limited ("NSDL") and Central Depository Services (India) Ltd. ("CDSL") and the total issued and listed capital for each of the quarter in the financial year ended March 31, 2018 was carried out.

The audit reports confirm that the total issued / paid-up share capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

Shareholding as on March 31, 2019

DISTRIBUTION OF EQUITY SHAREHOLDING AS ON MARCH 31, 2019

No. of shares held	No. of Share holders	% of Share holders	Total No. of Shares	% of Equity Share holding
Upto 500	4688	81.5	536894	4.34
501-1000	447	7.77	364566	2.95
1001-2000	235	4.09	360956	2.92
2001-3000	93	1.63	239800	1.94
3001-4000	38	0.66	132284	1.07
4001-5000	46	0.8	207770	1.68
5001-10000	84	1.46	593409	4.8
10000 and above	120	2.09	9929327	80.3
TOTAL	5751	100	12365006	100

CATEGORIES OF EQUITY SHAREHOLDING AS ON MARCH 31, 2019

CATEGORY OF SHARE HOLDER	NO. OF SHARE HOLDERS	TOTAL NO. OF SHARES	TOTAL NO. OF SHARES HELD IN DEMATERIALIZED FORM	TOTAL NO. OF SHAREHOLDING AS A % OF TOTAL NO. OF SHARES		SHARES PLEDGED OR OTHERWISE ENCUMBERED	
				AS A% OF (A+B)	AS A% OF A+B+C	NUMBER OF SHARES	AS A% OF TOTAL NO. OF SHARES
(A) Shareholding of Promoter and Promoter Group							
(1) Indian							
Undivided Family		-	-	-	-	-	-
State Government(s)		-	-	-	-	-	-
Bodies Corporate		-	-	-	-	-	-
Banks		-	-	-	-	-	-
Any Others (Specify)		-	-	-	-	-	-
Sub Total		-	-	-	-	-	-
(2) Foreign							
Residents Individuals / Bodies Corporate	1	4,936,673	4,936,673	39.92	39.92	-	-
Institutions		-	-	-	-	-	-
Qualified Foreign Investor		-	-	-	-	-	-
Any Others (Specify)		-	-	-	-	-	-
Sub Total	1	4,936,673	4,936,673	39.92	39.92	-	-
Total shareholding of Promoter and Promoter Group (A)	1	4,936,673	4,936,673	39.92	39.92	-	-
(B) Public Shareholding							
(1) Institutions							
Mutual Funds / UTI	1	300	300	-	-	-	-
Banks		-	-	-	-	-	-
State Government(s)		-	-	-	-	-	-
Venture Capital Funds		-	-	-	-	-	-
Insurance Companies		-	-	-	-	-	-
Investors		-	-	-	-	-	-
Investors		-	-	-	-	-	-
Qualified Foreign Investor def. in Ch. XA of SEBI (ICDR) Regulations)		-	-	-	-	-	-
Market Makers		-	-	-	-	-	-
Any Others (Specify)		-	-	-	-	-	-
Sub Total	1	300	300	-	-	-	-
(2) Non-Institutions							
Bodies Corporate		-	-	-	-	-	-
Individuals		-	-	-	-	-	-
Individual shareholders holding nominal share capital up to Rs. 1 lakh	0	-	-	-	-	-	-
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	5,262	7,000,501	7,000,501	56.62	56.62	-	-
Qualified Foreign Investor		-	-	-	-	-	-
Any Others (Specify)	94	427,532	326,122	3.46	3.46	-	-
Sub Total	5,356	7,428,033	7,326,623	60.07	60.07	-	-
Total Public shareholding (B)	5,357	7,428,333	7,326,923	60.08	60.08	-	-
Total (A)+(B)	5,358	12,365,006	12,263,596	100.00	100.00	-	-
(B) Shares held by Custodians and against which Depository Receipts have been issued-m							
(1)		-	-	-	-	-	-
(2)		-	-	-	-	-	-
Sub Total		-	-	-	-	-	-
Total (A)+(B)+(C)	5,358	12,365,006	12,263,596	100.00	100.00	-	-

CODE OF BUSINESS ETHICS AND CONDUCT

The Board has prescribed a Code of Business Ethics and Conduct (COBEC) that provides for transparency, ethical conduct, a gender friendly workplace, legal compliance and protection of company's property and information. COBEC is a set of guiding principles and covers all directors, employees, third party vendors, consultants and customers across the world. For Independent Directors the COBEC also includes duties as mentioned in Schedule IV of the Companies Act, 2013. COBEC is periodically reviewed taking into account the prevailing business and ethical practices.

The Code is posted on the website of the company <https://www.calsoftgroup.com/investors/governance-policies>.

All Board members and senior management personnel have confirmed compliance with the Code for the financial year ended March 31, 2019. A declaration to this effect signed by the Managing Director and Chief Executive Officer of the company is provided elsewhere in this Report.

DISCLOSURE OF ACCOUNTING TREATMENT IN PREPARATION OF FINANCIAL STATEMENTS

The Company has followed the guidelines of accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

DEMATERIALIZATION OF SHARES AND LIQUIDITY:

The shares of the company are under compulsory dematerialization ("Demat") category and consequently, shares of the company can be traded only in electronic form.

The system for getting the shares dematerialized is as under:

- a. Share certificate(s) along with Demat Requisition Form (DRF) is to be submitted by the shareholder to the Depository Participant (DP) with whom he / she has opened a Depository Account.
- b. DP processes the DRF and generates a unique number viz. DRN.
- c. DP forwards the DRF and share certificates to the company's Registrar & Shares Transfer Agent.
- d. The company's Registrar & Shares Transfer Agent after processing the DRF confirms or rejects the request to the Depositories.
- e. Upon confirmation, the Depository gives the credit to shareholder in his / her depository account maintained with DP.

As on March 31, 2019, more than 99 % of the equity shares issued by the company are held in dematerialized form. The company's equity shares are regularly traded on NSE and BSE, in dematerialized form.

Since the trading in the shares of the company can be done only in electronic form, it is advisable that the shareholders who have the shares in physical form get their shares dematerialized.

S. No.	Particulars	No. of Shares	% of total issued capital
1	Listed Capital	12365006	100
2	Held in Dematerialisation form - NSDL	10156921	82.14
3	Held in Dematerialisation form - CDSL	2107075	17.04
4	Physical shares	101010	0.82

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 other instruments, which are pending for conversion.

DECLARATION

REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for the members of the Board and the Senior Management Personnel and these Codes are available on the Company's website www.calsoftgroup.com. I confirm that the members of the Board and the Senior Management Personnel have complied with the Code of Conduct in respect of the financial year ended March 31, 2019.

For CALIFORNIA SOFTWARE COMPANY LIMITED

Place: Chennai

Date: 14.08.2019

Mahalingam Vasudevan

Managing Director

DECLARATION BY THE CHIEF EXECUTIVE OFFICER PURSUANT TO SCHEDULE V(D) READ WITH REGULATION 34 (3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

I, **Dr. Vasudevan Mahalingam**, Managing Director and Chief Executive Officer of California Software Company Limited (the company”) confirm that the company has adopted a Code of Business Ethics and Conduct (“Code of Conduct”) for its Board members and senior management personnel and the Code of Conduct is available on the company’s web site.

I, further confirm that the company has in respect of the financial year ended March 31, 2019, received from its Board members as well as senior management personnel affirmation as to compliance with the Code of Conduct.

Dr. Vasudevan Mahalingam
Chief Executive Officer and Managing Director

Chennai
August 14, 2019

CERTIFICATE BY THE CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) PURSUANT TO PART B SCHEDULE II READ WITH REGULATION 17 (8) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**To**

The Members
California Software company Limited

Dear members of the Board,

1. We have reviewed the financial statements and the cash flow statement of the company for the year ended March 31, 2019 and to the best of our knowledge and belief -

(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) these 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.

2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.

4. We have indicated to the Auditors and the Audit Committee –

(i) that there are no significant changes in internal control over financial reporting during the year;

(ii) that there are no significant changes in accounting policies during the year; and

(iii) that there are no instances of significant fraud of which we have become aware.

Dr. Vasudevan Mahalingam
Chief Executive Officer and Managing Director
Chennai
August 14, 2019

Vijayakumar Madhavan
Chief Finance Officer
Chennai
August 14, 2019

Standalone Ind AS Financial Statements

INDEPENDENT AUDITOR'S REPORT

To the Members of California Software Company Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone Ind AS financial statements of California Software Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical

requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt

with by this Report are in agreement with the books of account;

- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e) On the basis of written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements;
 - The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;

For N. BALASUBRAMANIAN ASSOCIATES
Chartered Accountants

Place: Chennai
Date: 10.05.2019

N. BALASUBRAMANIAN
Partner
Membership No.: 023445

Annexure 1 referred to in paragraph 1 of the section on “Report on Other Legal and Regulatory Requirements” of our report of even date

Re: California Software Company Limited (the Company)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets were physically verified by the management in accordance with a planned programme of verifying them in phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification conducted during the financial year.

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment / fixed assets are held in the name of the Company.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the financial year and no material discrepancies were noticed on such physical verification.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, provisions of section 186 of the Companies Act, 2013 in respect of loans given have been complied with by the Company. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 of the Companies Act, 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the products / services of the Company.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, value added tax, goods and service tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been slight delay in few cases. The provisions relating to duty of excise is not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, goods and service tax, duty of custom, Value added tax, Cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. According to the records of the Company, the disputed amount of income-tax and service tax is Rs. 133,960,202 and Rs. 35,52,977, respectively.
- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a bank. The Company did not have any outstanding loans or borrowing dues in respect of financial institution or government or dues to debenture holders.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments hence, reporting under clause is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud / material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has not been paid.

- (xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any noncash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For N.BALASUBRAMANIAN ASSOCIATES
Chartered Accountants

Place: Chennai
Date: 10.05.2019

N. BALASUBRAMANIAN
Partner
Membership No.: 023445

ANNEXURE 2 TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF CALIFORNIA SOFTWARE COMPANY LIMITED**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of California Software Company Limited (“the Company”) as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For N. BALASUBRAMANIAN ASSOCIATES

Chartered Accountants

Place: Chennai
Date: 10.05.2019

(N. BALASUBRAMANIAN)
(Partner)
Membership No. : 023445

TABLE 1. BALANCE SHEET AS AT 31 MARCH 2019

Particulars	Note no.	Sunday, March 31, 2019	Saturday, March 31, 2018
Assets			
Non-current assets			
Property, plant and equipment	1	113,566	-
Financial assets			
i. Investments	2	31,137,969	31,137,969
Deferred tax assets		-	-
Total non-current assets		31,251,535	31,137,969
Current assets			
Inventories		-	-
Financial assets			
i. Trade receivables	3	13,925,750	6,925,750
ii. Cash and cash equivalents	4	186,314	119,768
Other current assets	5	59,888,548	59,666,642
Total current assets		74,000,612	66,712,160
Total assets		105,252,146	97,850,130
Equity and Liabilities			
Equity			
Equity share capital	6	123,650,060	123,650,060
Other equity		(26944691)	(31595104)
Total equity		96,705,369	92,054,956
Liabilities			
Non-current liabilities			
Total non-current liabilities		-	-
Current liabilities			
Financial liabilities			
i. Borrowings	7	5,535,397	3,166,105
ii. Trade payables	8	1,710,128	1,067,180
Provisions		-	-
Other current liabilities	9	1,301,253	1,561,888
Liabilities directly associated with assets			
Total current liabilities		8,546,778	5,795,173
Total liabilities		8,546,778	5,795,173
Total equity and liabilities		105,252,146	97,850,130
The accompanying notes form an integral part of these standalone financial statements			
As per our report of even date attached			
For N. Balasubramanian Associates Chartered Accountants, F. No 03555		For and on behalf of the Board of Directors	
N. Balasubramanian Partner. M. No. 023445 Place : Chennai ; Date : May 10, 2019		Dr. M. Vasudevan Managing Director	M. Vijayakumar Director

**TABLE 2. STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED
31 MARCH 2019**

Particulars	Note no	31-Mar-19	31-Mar-18
Revenue from operations	10	14,500,000	9,525,750
Other income, net		-	-
Total income		14,500,000	9,525,750
Expenses			
Employee benefit expense	11	2,213,134	3,447,921
Depreciation and amortisation expense		-	-
Other expenses	12	5,646,452	655,767
Total expenses		7,859,587	4,103,688
Profit before tax		6,640,413	5,422,062
Tax expense			
Current tax		1,990,000	1,000,000
Deferred tax		-	-
Profit for the period		4,650,413	4,422,062
Earnings per equity share			
Equity shares of par value Rs. 10 each			
Basic		0.38	0.36
Diluted		0.38	0.36
Numbers of shares			
Basic		12,365,006	12,365,006
Diluted		12,365,006	12,365,006

The accompanying notes form an integral part of these standalone financial statements
As per our report of even date attached

For N. Balasubramanian Associates
Chartered Accountants, F. No 0355S

For and on behalf of the Board of Directors

N. Balasubramanian
Partner. M. No. 023445
Place : Chennai ; Date : May 10, 2019

Dr. M. Vasudevan
Managing Director

M. Vijayakumar
Director

TABLE 3. STATEMENT OF CHANGES IN EQUITY

Particulars	Equity share capital	Other equity								Total equity attributable to equity holders of the Company	
		Reserves and surplus					Other comprehensive income				
		Securities premium	Retained earnings	General reserve	Optionally Convertible Redeemable Preference Shares	Capital reserve		Equity instruments through other comprehensive income	Effective portion of cash flow hedges		Other items of other comprehensive income / (loss)
				Capital reserve	Capital business transfer adjustment reserve						
Balance as at April 1, 2018	123,650,060	949,056,932	(1086252590)	65,864,242	35,108,000	206,250	-	-	-	-	87,632,894
Changes in equity for the year ended March 31, 2019	-	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	4,422,062	-	-	-	-	-	-	-	4,422,062
Transfer to general reserve	-	-	-	-	-	-	-	-	-	-	-
Dividends (including dividend distribution tax)	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2019	123,650,060	949,056,932	(1081830528)	65,864,242	35,108,000	206,250	-	-	-	-	92,054,956

Statement of Changes in Equity for the year ended March 31, 2019

Particulars	Equity share capital	Other equity								Total equity attributable to equity holders of the Company	
		Reserves and surplus					Other comprehensive income				
		Securities premium	Retained earnings	General reserve	Optionally Convertible Redeemable Preference Shares	Capital reserve		Equity instruments through other comprehensive income	Effective portion of cash flow hedges		Other items of other comprehensive income / (loss)
				Capital reserve	Capital business transfer adjustment reserve						
Balance as at April 1, 2018	123,650,060	949,056,932	(1081830527)	65,864,241	35,108,000	206,250	-	-	-	-	92,054,956
Changes in equity for the year ended March 31, 2019	-	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	4,650,413	-	-	-	-	-	-	-	4,650,413
Transfer to general reserve	-	-	-	-	-	-	-	-	-	-	-
Dividends (including dividend distribution tax)	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2019	123,650,060	949,056,932	(1077180114)	65,864,241	35,108,000	206,250	-	-	-	-	96,705,369

The accompanying notes form an integral part of these standalone financial statements
As per our report of even date attached

For N. Balasubramanian Associates
Chartered Accountants, F. No 03555
N. Balasubramanian
Partner. M. No. 023445
Place : Chennai ; Date : May 10, 2019

For and on behalf of the Board of Directors

Dr. M. Vasudevan
Managing Director
M. Vijayakumar
Director

TABLE 4. STATEMENT OF CASH FLOWS

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Cash flow from operating activities		
Profit before tax	6,640,413	5,422,062
Adjustments for:		
Depreciation and amortisation expense	-	-
Operating profit before working capital changes	6,640,413	5,422,062
Changes in working capital:		
Decrease/(increase) in trade receivables and current assets	(7000000)	(5998175)
Increase/(decrease) in trade payables	642,948	
Increase/(decrease) other current liabilities and provisions	(260635)	(348730693)
Decrease/(increase) other current assets	(221906)	
Cash generated from operations	(199180)	(349306806)
Taxes Paid	1,990,000	1,000,000
Net cash generated from operating activities	(2189180)	(350306806)
Cash flows from investing activities		
Payment for acquisition of subsidiary, net of cash acquired	-	-
Payments for property, plant and equipment	(113566)	-
Changes in long term funds		(1000000)
Net cash outflow from investing activities	(113566)	(1000000)
Cash flows from financing activities		
Proceeds from issues of shares	-	351,080,000
Proceeds from borrowings	2,369,292	-
Net cash inflow (outflow) from financing activities	2,369,292	351,080,000
Net increase (decrease) in cash and cash equivalents	66,546	(226806)
Cash and cash equivalents at the beginning of the financial year	119,768	459,657
Cash and cash equivalents at end of the year	186,314	232,851
The accompanying notes form an integral part of these standalone financial statements		
As per our report of even date attached		
For N. Balasubramanian Associates	For and on behalf of the Board of Directors	
Chartered Accountants, F. No 0355S		
N. Balasubramanian	Dr. M. Vasudevan	M. Vijayakumar
Partner. M. No. 023445	Managing Director	Director
Place : Chennai ; Date : May 10, 2019		

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in lakhs of ('₹'), except share data and as stated otherwise)

ORGANIZATION AND NATURE OF OPERATIONS

California Software Company Limited (hereinafter referred to as “the Company”) is primarily engaged in providing a range of software development services, business process outsourcing services and IT infrastructure services. The Company was incorporated under the provisions of the Companies Act applicable in India in February 1992, having its registered office at 2nd Floor, Unit 9, STPI Building, 5 Rajiv Gandhi Road, Taramani, Chennai 600113.

The Company leverages its infrastructure and professionals to deliver solutions across selected verticals including financial services, manufacturing (automotive, aerospace, Hi-tech, semi-conductors), life sciences & healthcare, public services (oil and gas, energy and utility, travel, transport and logistics), retail and consumer products, telecom, media, publishing and entertainment.

The financial statements for the year ended 31stMarch 2019 were approved and authorized for issue by the Board of Directors on 10th May 2019.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**(a) Basis of preparation**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). These financial statements have been prepared under the historical cost convention on an accrual and going concern basis except for the following assets and liabilities which have been measured at fair value:

- a) Derivative financial instruments,
- b) Certain financial assets and liabilities (refer accounting policy regarding financial instruments)

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous year.

The Company uses the Indian rupee ('₹') as its reporting currency.

(b) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses and other comprehensive income (OCI) that are reported and disclosed in the financial statements and accompanying notes. These estimates are based on the management's best knowledge of current events, historical experience, actions that the Company may undertake in the future and on various other assumptions that are believed to be reasonable under the circumstances. Significant estimates and assumptions are used for, but not limited to, accounting for costs expected to be incurred to complete performance under fixed price projects, allowance for uncollectible accounts receivables, accrual of warranty costs, income taxes, valuation of share-based compensation, future obligations under employee benefit plans, the useful lives of property, plant and equipment, intangible assets, impairment of goodwill, and other contingencies and commitments. Changes in estimates are reflected in the financial statements in the year in which the changes are made. Actual results could differ from those estimates.

(c) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is the aggregate of the consideration transferred measured at fair value at the acquisition date. Acquisition related costs are expensed as incurred.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as financial liability is measured at fair value with changes in fair value recognized in the statement of profit and loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the excess is recognized as capital reserve after reassessing the fair values of the net assets.

(d) Foreign currency and translation

The financial statements of the Company are presented in Indian Rupee (₹) which is also the Company's functional currency. For each foreign operation, the Company determines the functional currency which is its respective local currency.

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date of the transaction. Foreign-currency denominated monetary assets and liabilities are translated to the relevant functional currency at exchange rates in effect at the balance sheet date. Exchange differences arising on settlement or translation of monetary items are recognized in the statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the initial transaction. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the year. Revenue, expenses and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

The translation of foreign operations from respective functional currency into INR (the reporting currency) for assets and liabilities is performed using the exchange rates in effect at the balance sheet date, and for revenue, expenses and cash flows is performed using an appropriate daily weighted average exchange rate for the respective years. The exchange differences arising on translation are reported as a component of 'other comprehensive income (loss)'. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognized in the statement of profit and loss.

(e) Fair value measurement

The Company records certain financial assets and liabilities at fair value on a recurring basis. The Company determines fair values based on the price it would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or most advantageous market for that asset or liability.

The Company holds certain fixed income securities, equity securities and derivatives, which must be measured using the guidance for fair value hierarchy and related valuation methodologies. The guidance specifies a hierarchy of valuation techniques based on whether the inputs to each measurement are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's assumptions about current market conditions. The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The prescribed fair value hierarchy and related valuation methodologies are as follows:

Level 1 - Quoted inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 - Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-derived valuations, in which all significant inputs are directly or indirectly observable in active markets.

Level 3 - Valuations derived from valuation techniques, in which one or more significant inputs are unobservable inputs which are supported by little or no market activity.

In accordance with Ind AS 113, assets and liabilities are to be measured based on the following valuation techniques:

- a) Market approach – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.
- b) Income approach – Converting the future amounts based on market expectations to its present value using the discounting method.
- c) Cost approach – Replacement cost method.

Certain assets are measured at fair value on a non-recurring basis. These assets consist primarily of non-financial assets such as goodwill and intangible assets. Goodwill and intangible assets recognized in business combinations are measured at fair value initially and subsequently when there is an indicator of impairment, the impairment is recognized.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant who would use the asset in its highest and best use.

(f) Revenue recognition

Contracts involving provision of services

Revenue is recognized when persuasive evidence of an arrangement exists, services have been rendered, the fee is determinable and collectability is reasonably assured. Contracts can be primarily categorized as time-and-material or fixed price contracts.

Time-and-material contracts

Revenue with respect to time-and-material contracts is recognized as the related services are performed.

Fixed Price contracts

Revenue related to contracts providing maintenance and support services, is recognized over the term of the contract where the company has continuing obligation.

Revenue from technology integration and complex network building contracts is recognized in accordance with the Percentage-of-Completion (POC) method. Under the POC method, progress towards completion is measured based on either achievement of specified contract milestones, cost incurred as a proportion of estimated total cost or other measures of progress when available. If circumstances arise that change the original estimates of revenues, costs, or extent of progress towards completion, revisions are made to the estimates. These revisions may result in increase or decrease in estimated revenues or costs, and such revisions are reflected in income in the year in which the circumstances that gave rise to the revision become known to the management. Provisions for estimated losses, if any, on contracts in progress are recorded in the period in which such losses become probable based on the current cost estimates. Contract losses are determined to be the amount by which the estimated total cost to complete exceeds the estimated total revenue that will be generated by the contract and are included in Cost of services and classified in other accrued liabilities.

In arrangements involving sharing of customer revenues, revenue is recognized when the amounts are known and the right to receive is established. Incremental revenue from existing contracts arising on future sales to the customers is recognized when it is earned and collectability is reasonably assured.

Revenues from unit-priced contracts are recognized as transactions are processed, based on objective measures of output.

Revenue from product sales are shown net of sales tax and applicable discounts and allowances. Revenue related to product with installation services that are critical to the product is recognized when installation of product at customer site is completed and accepted by the customer. If the revenue for a delivered item is not recognized for non-receipt of acceptance from the customer, the cost of the delivered item continues to be in inventory.

Multiple-element arrangements

When a sales arrangement contains multiple elements, such as services, hardware and software products and licenses, revenue for each element is determined based on its fair value.

Revenue recognition for delivered elements is limited to the amount that is not contingent on the future delivery of products or services, future performance obligations or subject to customer-specified return or refund privileges.

Revenue from activities in transition services not having standalone value in outsourcing arrangements is deferred and recognized over the period of the arrangement. Direct and incremental costs in relation to such an arrangement are also deferred to the extent of revenue. Certain upfront non-recurring contract acquisition costs incurred in the initial phases of outsourcing contracts are deferred and amortized usually on a straight-line basis, over the term of the contract unless revenues are earned, and obligations are fulfilled in a different pattern. The undiscounted cash flows from the arrangement are periodically estimated and compared with the unamortized costs. If the unamortized costs exceed the undiscounted cash flow, a loss is recognized.

In instances when revenue is derived from sales of third-party vendor services, material or licenses, revenue is recorded on a gross basis when the Company is a principal to the transaction and net of costs when the Company is acting as an agent between the customer and the vendor. Several factors are considered to determine whether the Company is a principal or an agent, most notably whether the Company is the primary obligor to the customer, has established its own pricing, and has inventory and credit risks.

Revenue is recognized net of discounts and allowances, value-added tax and goods & service tax, and includes reimbursement of out-of-pocket expenses, with the corresponding out-of-pocket expenses included in cost of revenues.

Revenue from financing leases is recognized when risk of loss has been transferred to the client and there are no unfulfilled obligations that affect the final acceptance of the arrangement by the client. Revenue from operating leases is accounted on a straight-line basis as service revenue over the rental period. Interest attributable to financing leases included therein is recognized on an accrual basis using the effective interest method.

Interest income

Interest income for all financial instruments measured at amortized cost is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

(g) ***Income taxes***

Income tax expense comprises current and deferred income tax.

Income tax expense is recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities,

using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Provision for income tax includes the impact of provisions established for uncertain income tax positions.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets and liabilities recognized for those temporary differences which originate during the tax holiday period are reversed after the tax holiday period. For this purpose, reversal of timing differences is determined using first in first out method.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the year that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognized subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognized in the statement of profit and loss.

(h) **Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. The Company identifies and determines separate useful lives for each major component of the property, plant and equipment, if they have a useful life that is materially different from that of the asset as a whole.

Expenses on existing property, plant and equipment, including day-to-day repairs, maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the year during which such expenses are incurred.

Gains or losses arising from derecognition of assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Property, plant and equipment under construction and cost of assets not ready for use at the year-end are disclosed as capital work- in- progress.

Depreciation on property, plant and equipment is provided on the straight-line method over their estimated useful lives, as determined by the management. Depreciation is charged on a pro-rata basis for assets purchased / sold during the year.

(i) **Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Intangible assets are amortized over the useful life and assessed for impairment whenever there is an

indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

The intangible assets are amortized over the estimated useful life of the assets as mentioned below except certain Licensed IPRs which include the right to modify, enhance or exploit are amortized in proportion to the expected benefits over the useful life which could range up to 15 years.

(j) Research and development costs

Research costs are expensed as incurred. Development expenditure, on an individual project, is recognized as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. Amortization expense is recognized in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

(k) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(l) Inventory

Stock-in-trade, stores and spares are valued at the lower of the cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Cost of stock-in-trade procured for specific projects is assigned by identifying individual costs of each item. Cost of stock in trade, that are interchangeable and not specific to any project and cost of stores and spare parts are determined using the weighted average cost formula.

(m) Impairment of non-financial assets

Goodwill

Goodwill is tested annually on March 31, for impairment, or sooner whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and

future cash flows. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Company's cash generating units (CGU) expected to benefit from the synergies arising from the business combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU. Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU, pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill recognized in the statement of profit and loss is not reversed in the subsequent period.

Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the asset exceeds the estimated recoverable amount of the asset.

(n) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows.

(p) Retirement and other employee benefits

- i. **Provident fund:** Employees of the Company receive benefits under the provident fund, a defined benefit plan. The employee and employer each make monthly contributions to the plan. A portion of the contribution is made to the provident fund trust managed by the Company or Government administered provident fund; while the balance contribution is made to the Government administered pension fund. For the contribution made by the Company to the provident fund trust managed by the Company, the Company has an obligation to fund any shortfall on the yield of the Trust's investments over the administered interest rates. The liability is actuarially determined (using the projected unit credit method) at the end of the year. The funds contributed to the Trust are invested in specific securities as mandated by law and generally consist of federal and state government bonds, debt instruments of government-owned corporations and other eligible market securities.
- ii. In respect of superannuation, a defined contribution plan for applicable employees, the Company contributes to a scheme administered on its behalf by an insurance company and such contributions for each year of service rendered by the employees are charged to the statement of profit and loss. The Company has no further obligations to the superannuation plan beyond its contributions.
- iii. **Gratuity liability:** The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's base salary and the tenure of employment (subject to a maximum of Rs. 20 lacs per employee). The liability is actuarially determined (using the projected unit credit method) at the end of each year. Actuarial gains / losses are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the year

in which they occur.

In respect to certain employees in India, the Company contributes towards gratuity liabilities to the Gratuity Fund Trust. Trustees of the Company administer contributions made to the Trust and contributions are invested in a scheme with Life Insurance Corporation of India as permitted by law.

- iv. **Compensated absences:** The employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating in nature. The employees can carry forward up to the specified portion of the unutilized accumulated compensated absences and utilize it in future periods or receive cash at retirement or termination of employment. The expected cost of accumulating compensated absences is determined by actuarial valuation (using the projected unit credit method) based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the balance sheet date. The expense on non-accumulating compensated absences is recognized in the statement of profit and loss in the year in which the absences occur. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.
- v. **State Plan:** The contribution to State Plans in India, a defined contribution plan namely Employee State Insurance Fund is charged to the statement of profit and loss as and when employees render related services.

(q) Equity settled stock-based compensation

Stock-based compensation represents the cost related to stock-based awards granted to employees. The Company measures stock-based compensation cost at grant date, based on the estimated fair value of the award and recognizes the cost (net of estimated forfeitures) on a straight-line basis over the requisite service period for each separately vesting portion of the award, as if award was in substance, multiple awards. The Company estimates the fair value of stock options using the Black-Scholes valuation model. The cost is recorded under the head employee benefit expense in the statement of profit and loss with corresponding increase in "Share Based Payment Reserve".

(r) Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Financial assets

All financial assets are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value measured on initial recognition of financial asset. Purchase and sale of financial assets are accounted for at trade date.

Cash and short-term deposits

Cash and short-term deposits in the balance sheet comprise cash in banks and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

Financial assets at amortized cost

A financial asset is measured at the amortized cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is

included in other income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss. This category includes cash and bank balances, loans, unbilled revenue, trade and other receivables.

Financial asset at Fair Value through Other Comprehensive Income (OCI)

A financial asset is classified and measured at fair value through OCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent solely payments of principal and interest.

Financial asset included within the OCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. Interest income is recognized in statement of profit and loss for debt instruments. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from OCI to statement of profit and loss.

Financial assets at Fair Value through Profit and Loss

Any financial asset, which does not meet the criteria for categorization at amortized cost or at fair value through other comprehensive income, is classified at fair value through profit and loss. Financial assets included at the fair value through profit and loss category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investments

Equity investments in subsidiaries are measured at cost.

Derecognition of financial assets

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset.

Impairment of financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit and loss. Lifetime ECL allowance is recognized for trade receivables with no significant financing component. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case they are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognized in the statement of profit and loss.

ii. Financial liabilities

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade payables, borrowings including bank overdrafts and other payables.

After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in the statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

iii. Derivative financial instruments and hedge accounting

Foreign exchange forward contracts and options are purchased to mitigate the risk of changes in foreign exchange rates associated with forecast transactions denominated in certain foreign currencies.

The Company recognizes all derivatives as assets or liabilities measured at their fair value. Changes in fair value for derivatives not designated in a hedge accounting relationship are marked to market at each reporting date and the related gains (losses) are recognized in the statement of profit and loss as 'foreign exchange gains (losses)'.

The foreign exchange forward contracts and options in respect of forecast transactions which meet the hedging criteria are designated as cash flow hedges. Changes in the derivative fair values (net of tax) that are designated as effective cash flow hedges are deferred and recorded in the hedging reserve account as a component of accumulated 'other comprehensive income (loss)' until the hedged transaction occurs and are then recognized in the statement of profit and loss. The ineffective portion of hedging derivatives is immediately recognized in the statement of profit and loss.

In respect of derivatives designated as hedges, the Company formally documents all relationships between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Company also formally assesses both at the inception of the hedge and on an ongoing basis, whether each derivative is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Hedge accounting is discontinued prospectively from the last testing date when (1) it is determined that the derivative financial instrument is no longer effective in offsetting changes in the fair value or cash flows of the underlying exposure being hedged; (2) the derivative financial instrument matures or is sold, terminated or exercised; or (3) it is determined that designating the derivative financial instrument as a hedge is no longer appropriate. When hedge accounting is discontinued the deferred gains or losses on the cash flow hedge remain in 'other comprehensive income (loss)' until the forecast transaction occurs. Any further change in the fair value of the derivative financial instrument is recognized in current year earnings.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis to realize the assets and settle the liabilities simultaneously.

(s) Dividend

Final dividend proposed by the Board of Directors is recognized upon approval by the shareholders who have the right to decrease but not increase the amount of dividend recommended by the Board of Directors. Interim dividends are recognized on declaration by the Board of Directors.

(t) Earnings per share (EPS)

Basic EPS amounts are computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equities outstanding during the year.

Diluted EPS amounts are computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares).

Dilutive potential equity shares are deemed converted as at the beginning of the year, unless issued at a later date. Dilutive potential equity shares are determined independently for each year presented.

(u) Recently issued accounting pronouncements

On 28 March 2018, the Ministry of Corporate Affairs (MCA), notified Companies (Indian Accounting Standards) (Amendments) Rules, 2018, amending the following standards:

Appendix B to Ind AS 21, 'Foreign Currency Transactions and Advance Consideration'

The amendment clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration.

The Appendix is effective for annual periods beginning on or after 1 April 2018. However, since the Company's current practice is in line with the Interpretation, the Company does not expect any effect on its financial statements.

Ind AS 115, Revenue from Contract with Customers

Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard Ind AS 18 Revenue, Ind AS 11 Construction Contracts. The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The core principle of Ind AS 115 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Under Ind AS 115, an entity recognizes revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The Company is currently evaluating the impact that the adoption of this new standard will have on its financial statements.

TABLE 5. PROPERTY, PLANT AND EQUIPMENT

Particulars	Computers and Accessories	Total
Gross carrying value as at April 1, 2018	-	-
Additions	113,566	113,566
Deletions	-	-
Gross carrying value as at March 31, 2019	113,566	113,566
Particulars	Computers and Accessories	Total
Accumulated depreciation as on April 1, 2018	-	-
Depreciation	-	-
Accumulated depreciation as on delitions	-	-
Accumulated depreciation as on March 31, 2019	-	-
Carrying value as at March 31, 2019	113,566	113,566
Carrying value as at April 1, 2018	-	-
The changes in the carrying value of property, plant and equipment for the yeaar ended March 31, 2018 were as follows		
Particulars	Computers and Accessories	Total
Gross carrying value as at April 1, 2017	-	-
Additions	-	-
Deletions	-	-
Gross carrying value as at March 31, 2018	-	-
Particulars	Computers and Accessories	Total
Accumulated depreciation as on April 1, 2017	-	-
Depreciation	-	-
Accumulated depreciation as on delitions	-	-
Accumulated depreciation as on March 31, 2018	-	-
Carrying value as at March 31, 2018	-	-
Carrying value as at April 1, 2017	-	-

TABLE 6. ADVANCES, TRADE RECEIVABLES, CURRENT AND NON-CURRENT INVESTMENTS

Particulars	As at March 31, 2019	As at March 31, 2018
Non Current Investments		
Equity instruments of subsidiaries	31,137,969	31,137,969
Total carrying value	31,137,969	31,137,969
Particulars	As at March 31, 2019	As at March 31, 2018
Non-current		
Unquoted		
Investment carried at cost		
Investment in equity instruments of subsidiaries		
Aspire communication, Mysore, India		
20,00,000 (20,00,000) equity shares, fully paid up	31,137,969	31,137,969
Note: 3 Trade receivable		
Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Unsecured		
Considered good	13,925,750	6,925,750
Considered doubtful	-	-
Less : Allowance for credit loss	-	-
Total trade receivables	13,925,750	6,925,750
(1) Includes dues from companies where directors are interested		
Note: 4 Cash and cash equivalents		
Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks		
In current and deposit accounts	52,950	16,596
Cash on hand	30,192	-
Total cash and cash equivalents		
Balances with banks in unpaid dividend accounts	103,172	103,172
	186,314	119,768

TABLE 7. OTHER CURRENT ASSETS AND SHARE CAPITAL

Particulars	As at March 31, 2019	As at March 31, 2018
Advance income tax # (net of provisions ` Unsecured, considered good)	56,752,735	58,742,735
Loans and advances to employees	648,065	33,000
Rental Advance	622,571	-
Others	583,800	413,800
Receivable from Govt authorities	1,281,377	477,107
	59,888,548	59,666,642
Note: 6 Equity		
Particulars	As at March 31, 2019	As at March 31, 2018
Authorised Capital		
2,10,00,000 Equity Shares of Rs.10/- each with equal voting rights	210,000,000	210,000,000
40,00,000 Preference Shares of Rs.10/- each with equal voting rights	40,000,000	40,000,000
	250,000,000	250,000,000
Particulars	As at March 31, 2019	As at March 31, 2018
Issued, Subscribed and paid up		
123,65,006 Equity Shares of Rs.10/- each with equal voting rights	123,650,060	123,650,060
3510800 Optionally Convertible Redeemable Preference Shares(OCRPS) at Rs.10	35,108,000	35,108,000
	158,758,060	158,758,060
(The paid up share capital includes shares worth Rs. 7,24,920 which were issued by the company in October 1994 for consideration other than cash)		
Name of the Share Holder	As at March 31, 2019	As at March 31, 2018
Shareholders holding more than 5% of total shares		
Vasudevan M	49,36,673 39.92%	55,36,673 44.78%
Closing Balance	49,36,673 39.92%	55,36,673 44.78%
Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:		
Particulars	As at March 31, 2019	As at March 31, 2018
At the beginning of the period	15,875,806	15,875,806
Add : Shares issued	-	-
Less : Shares bought back	-	-
At the end of the period	15,875,806	15,875,806

TABLE 8. FINANCIAL LIABILITIES, TRADE PAYABLES, OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2019	As at March 31, 2018
Loan from directors	5,535,397	3,166,105
Total	5,535,397	3,166,105
Note: 8 Trade payables		
Particulars	As at March 31, 2019	As at March 31, 2018
Trade payables	1,710,128	1,067,180
Total	1,710,128	1,067,180
Note: 9 Other current liabilities		
Particulars	As at March 31, 2019	As at March 31, 2018
Unpaid dividends*	103,172	103,172
Statutory liabilities	582,345	705,438
Other expenses payable	480,458	618,000
Gratuity Provision	135,278	135,278
Total	1,301,253	1,561,888
*Of the above Rs.51163/- was due for Investor Protection and education fund 29/08/2014. Company transferred the amount on 04/05/2015 and filed necessary forms.		

TABLE.9. REVENUE, EMPLOYEE BENEFITS AND OTHER EXPENSES

Particulars	As at March 31, 2019	As at March 31, 2018
Sale of Products	2,500,000	-
Sale of Services	12,000,000	9,525,750
Total	14,500,000	9,525,750
Note: 11 Employee benefits expense		
Particulars	As at March 31, 2019	As at March 31, 2018
Salaries & Allowances	2,150,169	3,253,225
Contribution to Provident and other funds	-	149,423
Staff Welfare Expenses	62,965	45,273
Total	2,213,134	3,447,921
Note: 12 Other Expenses		
Particulars	As at March 31, 2019	As at March 31, 2018
Electricity Charges	236,535	457,957
Maintenance	391,758	442,077
Rent	1,687,946	1,797,860
Rates & taxes	-	10,000
Communication Expenses	167,623	155,198
Travelling Expenses	41,714	14,900
Audit Fee	480,458	618,000
Penalty, Fine etc	1,249,360	-
Legal ,Professional and Secretarial Expenses	987,445	4,188,729
Payables / Receivables written off	2,007	(2552355)
Other Expenses	309,204	(4481011)
Advertisement Expenses	15,860	-
Service Charges - others	75,337	-
Bank Charges	1,205	4,411
Total	5,646,452	655,767

Consolidated Ind AS Financial Statements

INDEPENDENT AUDITOR'S REPORT

To
The Members of California Software Company Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of California Software Company Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates, comprising of the consolidated Balance Sheet as at March 31, 2019, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its Associates in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid

consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group and its associates as at March 31, 2019, their consolidated profit including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and on the basis of written representations received from directors of its subsidiaries incorporated in India none of the directors of the Group's companies, incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies incorporated in India, refer to our separate report in "Annexure 1" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in the consolidated Ind AS financial statements;
 - Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended March 31, 2019. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by its subsidiaries incorporated in India during the year ended March 31, 2019.

For N.BALASUBRAMANIAN ASSOCIATES
Chartered Accountants

Place: Chennai
Date: 10.05.2019

N. BALASUBRAMANIAN
Partner
Membership No.: 023445

ANNEXURE 1 - TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF CALIFORNIA SOFTWARE COMPANY LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of California Software Company Limited as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of California Software Company Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets

of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For N.BALASUBRAMANIAN ASSOCIATES
Chartered Accountants

Place: Chennai
Date: 10.05.2019

N. BALASUBRAMANIAN
Partner
Membership No.: 023445

CONSOLIDATED FINANCIAL STATEMENTS

TABLE 1. CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

Particulars	Note no.	Sunday, March 31, 2019	Saturday, March 31, 2018
Assets			
Non-current assets			
Property, plant and equipment	1	113,566	-
Financial assets			
i. Investments	2	-	5,500
Deferred tax assets		-	-
Total non-current assets		113,566	5,500
Current assets			
Inventories		-	-
Financial assets			
i. Trade receivables	3	13,925,750	6,925,750
ii. Cash and cash equivalents	4	298,748	232,851
Other current assets	5	59,888,548	59,666,642
Total current assets		74,113,046	66,825,243
Total assets		74,226,611	66,830,743
Equity and Liabilities			
Equity			
Equity share capital	6	123,650,060	123,650,060
Other equity		(58123152)	(62878970)
Total equity		65,526,908	60,771,090
Liabilities			
Non-current liabilities			
Total non-current liabilities		-	-
Current liabilities			
Financial liabilities			
i. Borrowings	7	5,535,397	3,166,105
ii. Trade payables	8	1,710,128	1,067,180
Provisions		-	-
Other current liabilities	9	1,454,179	1,826,368
Liabilities directly associated with assets classified as held for sale			
Total current liabilities		8,699,704	6,059,653
Total liabilities		8,699,704	6,059,653
Total equity and liabilities		74,226,611	66,830,743
The accompanying notes form an integral part of these standalone financial statements			
As per our report of even date attached			
For N. Balasubramanian Associates		For and on behalf of the Board of Directors	
Chartered Accountants, F. No 03555			
N. Balasubramanian			
Partner. M. No. 023445		Dr. M. Vasudevan	M. Vijayakumar
Place : Chennai ; Date : May 10, 2019		Managing Director	Director

CONSOLIDATED FINANCIAL STATEMENTS

**TABLE 2. CONSOLIDATED PROFIT AND LOSS FOR THE YEAR
ENDED MARCH 31, 2019**

Particulars	Note no	31-Mar-19	31-Mar-18
Revenue from operations	10	14,500,000	9,525,750
Other income, net		-	(1961)
Total income		14,500,000	9,523,789
Expenses			
Employee benefit expense	11	2,214,182	3,447,921
Depreciation and amortisation expense		-	-
Other expenses	12	5,646,053	717,325
Total expenses		7,860,235	4,165,247
Profit before tax		6,639,765	5,358,542
Exceptional items		6,717,642	-
Profit before exceptional items		(77877)	5,358,542
Tax expense			
Current tax		1,990,000	1,000,000
Deferred tax		-	-
Profit for the period		(2067877)	4,358,542
Earnings per equity share			
Equity shares of par value Rs. 10 each			
Basic		(0.17)	0.35
Diluted		(0.17)	0.35
Numbers of shares			
Basic		12,365,006	12,365,006
Diluted		12,365,006	12,365,006
The accompanying notes form an integral part of these standalone financial statements			
As per our report of even date attached			
For N. Balasubramanian Associates		For and on behalf of the Board of Directors	
Chartered Accountants, F. No 0355S			
N. Balasubramanian			
Partner. M. No. 023445		Dr. M. Vasudevan	M. Vijayakumar
Place : Chennai ; Date : May 10, 2019		Managing Director	Director

CONSOLIDATED FINANCIAL STATEMENTS

TABLE 3. STATEMENT OF CHANGE IN EQUITY

Particulars	Equity share capital	Other equity									Total equity attributable to equity holders of the Company
		Reserves and surplus					Other comprehensive income				
		Securities premium	Retained earnings	General reserve	Optionally Convertible Redeemable Preference Shares	Capital reserve	Equity instruments through other comprehensive income	Effective portion of cash flow hedges	Other items of other comprehensive income / (loss)		
Balance as at April 1, 2018	123,650,060	964,318,405	(1133616770)	66,746,603	35,108,000	206,250	-	-	-	-	56,412,548
Changes in equity for the year ended March 31, 2019	-	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	4,358,542	-	-	-	-	-	-	-	4,358,542
Transfer to general reserve	-	-	-	-	-	-	-	-	-	-	-
Dividends (including dividend distribution tax)	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2019	123,650,060	964,318,405	(1129258228)	66,746,603	35,108,000	206,250	-	-	-	-	60,771,090

Statement of Changes in Equity for the year ended March 31, 2019

Particulars	Equity share capital	Other equity									Total equity attributable to equity holders of the Company
		Reserves and surplus					Other comprehensive income				
		Securities premium	Retained earnings	General reserve	Optionally Convertible Redeemable Preference Shares	Capital reserve	Equity instruments through other comprehensive income	Effective portion of cash flow hedges	Other items of other comprehensive income / (loss)		
Balance as at April 1, 2018	123,650,060	964,318,405	(1122434532)	66,746,602	35,108,000	206,250	-	-	-	-	67,594,785
Changes in equity for the year ended March 31, 2019	-	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	2,067,877	-	-	-	-	-	-	-	2,067,877
Transfer to general reserve	-	-	-	-	-	-	-	-	-	-	-
Dividends (including dividend distribution tax)	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2019	123,650,060	964,318,405	(1124502409)	66,746,602	35,108,000	206,250	-	-	-	-	65,526,908

The accompanying notes form an integral part of these standalone financial statements
As per our report of even date attached

For N. Balasubramanian Associates
Chartered Accountants, F. No 03555

For and on behalf of the Board of Directors

N. Balasubramanian
Partner. M. No. 023445
Place : Chennai ; Date : May 10, 2019

Dr. M. Vasudevan
Managing Director

M. Vijayakumar
Director

CONSOLIDATED FINANCIAL STATEMENTS

TABLE 4. CASH FLOW STATEMENT

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Cash flow from operating activities		
Profit before tax	6,639,765	5,358,542
Adjustments for:		
Exceptional items	-	6,717,642
Depreciation and amortisation expense	-	-
Operating profit before working capital changes	6,639,765	5,358,542
Changes in working capital:		
Decrease/(increase) in trade receivables and current assets	(7000000)	(7834656)
Increase/(decrease) in trade payables	642,948	(1591106)
Increase/(decrease) other current liabilities and provisions	(266136)	(344239587)
Decrease/(increase) other current assets	(221906)	(1000000)
Cash generated from operations	(205329)	(349306806)
Taxes Paid	1,990,000	1,000,000
Net cash generated from operating activities	(2195329)	(350306806)
Cash flows from investing activities		
Payment for acquisition of subsidiary, net of cash acquired	5,500	-
Payments for property, plant and equipment	(113566)	-
Changes in long term funds		(1000000)
Net cash outflow from investing activities	(108066)	(1000000)
Cash flows from financing activities		
Proceeds from issues of shares	-	351,080,000
Proceeds from borrowings	2,369,292	-
Net cash inflow (outflow) from financing activities	2,369,292	351,080,000
Net increase (decrease) in cash and cash equivalents	65,897	(226806)
Cash and cash equivalents at the beginning of the financial year	232,851	459,657
Cash and cash equivalents at end of the year	298,748	232,851
The accompanying notes form an integral part of these standalone financial statements		
As per our report of even date attached		
For N. Balasubramanian Associates	For and on behalf of the Board of Directors	
Chartered Accountants, F. No 0355S		
N. Balasubramanian	Dr. M. Vasudevan	M. Vijayakumar
Partner. M. No. 023445	Managing Director	Director
Place : Chennai ; Date : May 10, 2019		

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

ORGANIZATION AND NATURE OF OPERATIONS

California Software Company Limited (hereinafter referred to as “the Company” or “the Parent Company”) and its subsidiaries (hereinafter collectively referred to as “the Group”) are primarily engaged in providing a range of software development services, business process outsourcing services and IT infrastructure services. The Company was incorporated under the provisions of the Companies Act applicable in India in February 1992, having its registered office at 2nd Floor, Unit 9, STPI Building, 5 Rajiv Gandhi Road, Taramani, Chennai 600113.

The Group leverages its offshore infrastructure and professionals to deliver solutions across select verticals including financial services, manufacturing (automotive, aerospace, Hi-tech, semi-conductors), life sciences & healthcare, public services (oil and gas, energy and utility, travel, transport and logistics), retail and consumer products, telecom, media, publishing and entertainment.

The consolidated financial statements for the year ended 31 March 2019 were approved and authorized for issue by the Board of Directors on 10th May 2019.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

These consolidated financial statements have been prepared under the historical cost convention on an accrual and going concern basis, except for the following assets and liabilities which have been measured at fair value:

- a) Derivative financial instruments,
- b) Certain financial assets and liabilities (refer accounting policy regarding financial instruments),

The accounting policies adopted in the preparation of these consolidated financial statements are consistent with those of the previous year.

The Group uses the Indian rupee (‘₹’) as its reporting currency.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of California Software Company Limited, the Parent Company, and its subsidiaries. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Control is achieved when the Group is exposed, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- a) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- b) Exposure, or rights, to variable returns from its involvement with the investee, and
- c) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this

presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- a) The contractual arrangement with the other vote holders of the investee
- b) Rights arising from other contractual arrangements
- c) The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

The financial statements of the subsidiaries in the Group are added on a line-by-line basis and inter-company balances and transactions including unrealized gain / loss from such transactions, are eliminated upon consolidation. The consolidated financial statements are prepared by applying uniform accounting policies in use by the Group.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not in control or joint control over those policies. The aggregate of the Group's share of profit and loss of an associate is shown on the face of the statement of profit and loss.

Use of estimates

The preparation of consolidated financial statements in conformity with Ind AS requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses and other comprehensive income (OCI) that are reported and disclosed in the consolidated financial statements and accompanying notes. These estimates are based on the management's best knowledge of current events, historical experience, actions that the Group may undertake in the future and on various other assumptions that are believed to be reasonable under the circumstances. Significant estimates and assumptions are used for, but not limited to, accounting for costs expected to be incurred to complete performance under fixed price projects, allowance for uncollectible accounts receivables, accrual of warranty costs, income taxes, valuation of share-based compensation, future obligations under employee benefit plans, the useful lives of property, plant and equipment, intangible assets, impairment of goodwill, and other contingencies and commitments. Changes in estimates are reflected in the consolidated financial statements in the year in which the changes are made. Actual results could differ from those estimates.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is the aggregate of the consideration transferred measured at fair value at the acquisition date and the amount of any non-controlling interest in the acquiree. For each business combination, the Group measures the non-controlling interest in the acquiree at fair value. Acquisition related costs are expensed as incurred.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as financial liability is measured at fair value with changes in fair value recognized in the statement of profit and loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the excess is recognized as capital reserve after reassessing the fair values of the net assets.

Foreign currency and translation

The Group's consolidated financial statements are presented in Indian Rupee (₹), which is also the parent company's functional currency. For each entity, the Group determines the functional currency which is its respective local currency, except for four subsidiaries outside India being investment companies which use the US\$ as their functional currency, and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to the statement of profit and loss reflects the amount that arises from using this method.

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated to the relevant functional currency at exchange rates in effect at the balance sheet date. Exchange differences arising on settlement or translation of monetary items are recognized in the statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of initial transaction. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the year. Revenue, expenses and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

The translation of foreign operations from respective functional currency into INR (the reporting currency) for assets and liabilities is performed using the exchange rates in effect at the balance sheet date, and for revenue, expenses and cash flows is performed using an appropriate daily weighted average exchange rate for the respective years. The exchange differences arising on translation for consolidation are reported as a component of 'other comprehensive income (loss)'. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognized in the statement of profit and loss.

Fair value measurement

The Group records certain financial assets and liabilities at fair value on a recurring basis. The Group determines fair values based on the price it would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or most advantageous market for that asset or liability.

The Group holds certain fixed income securities, equity securities and derivatives, which must be measured using the guidance for fair value hierarchy and related valuation methodologies. The guidance specifies a hierarchy of valuation techniques based on whether the inputs to each measurement are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Group's assumptions about current market conditions. The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The prescribed fair value hierarchy and related valuation methodologies are as follows:

- Level 1** - Quoted inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2** - Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-derived valuations, in which all significant inputs are directly or indirectly observable in active markets.
- Level 3** - Valuations derived from valuation techniques, in which one or more significant inputs are unobservable inputs which are supported by little or no market activity.

In accordance with Ind AS 113, assets and liabilities are to be measured based on the following valuation techniques:

- Market approach – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.
- Income approach – Converting the future amounts based on market expectations to its present value using the discounting method.
- Cost approach – Replacement cost method.

Certain assets are measured at fair value on a non-recurring basis. These assets consist primarily of non-financial assets such as goodwill and intangible assets. Goodwill and intangible assets recognized in business combinations are measured at fair value initially and subsequently when there is an indicator of impairment, the impairment is recognized.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant who would use the asset in its highest and best use.

Revenue recognition

Contracts involving provision of services

Revenue is recognized when persuasive evidence of an arrangement exists, services have been rendered, the fee is determinable and collectability is reasonably assured. Contracts can be primarily categorized as time-and-material or fixed price contracts.

Time-and-material contracts

Revenue with respect to time-and-material contracts is recognized as the related services are performed.

Fixed Price contracts

Revenue related to contracts providing maintenance and support services, is recognized over the term of the contract where the Group has continuing obligation.

Revenue from technology integration and complex network building contracts is recognized in accordance with the Percentage-Of-Completion (POC) method. Under the POC method, progress towards completion is measured based on either achievement of specified contract milestones, cost incurred as a proportion of estimated total cost or other measures of progress when available. If circumstances arise that change the original estimates of revenues, costs, or extent of progress towards completion, revisions are made to the estimates. These revisions may result in increase or decrease in estimated revenues or costs, and such revisions are reflected in income in the year in which the circumstances that gave rise to the revision become known to the management. Provisions for estimated losses, if any, on contracts-in-progress are recorded in the period in which such losses become probable based on the current cost estimates. Contract losses are determined to be the amount by which the estimated total cost to complete exceeds the estimated total revenue that will be generated by the contract and are included in cost of services and classified in other accrued liabilities.

In arrangements involving sharing of customer revenues, revenue is recognized when the amounts are known and the right to receive is established. Incremental revenue from existing contracts arising on future sales to the customers is recognized when it is earned and collectability is reasonably assured.

Revenues from unit-priced contracts are recognized as transactions are processed, based on objective measures of output.

Revenue from product sales are shown net of sales tax and applicable discounts and allowances. Revenue related to product with installation services that are critical to the product is recognized when installation of product at customer site is completed and accepted by the customer. If the revenue for a delivered item is not recognized for non-receipt of acceptance from the customer, the cost of the delivered item continues to be in inventory.

Multiple-element arrangements

When a sales arrangement contains multiple elements, such as services, hardware and software products and licenses, revenue for each element is determined based on its fair value.

Revenue recognition for delivered elements is limited to the amount that is not contingent on the future delivery of products or services, future performance obligations or subject to customer-specified return or refund privileges.

Revenue from activities in transition services not having standalone value in outsourcing arrangements is deferred and recognized over the period of the arrangement. Direct and incremental costs in relation to such an arrangement are also deferred to the extent of revenue. Certain upfront non-recurring contract acquisition costs incurred in the initial phases of outsourcing contracts are deferred and amortized usually on a straight-line basis, over the term of the contract unless revenues are earned and obligations are fulfilled in a different pattern. The undiscounted cash flows from the arrangement are periodically estimated and compared with the unamortized costs. If the unamortized costs exceed the undiscounted cash flow, a loss is recognized.

In instances when revenue is derived from sales of third-party vendor services, material or licenses, revenue is recorded on a gross basis when the Group is a principal to the transaction and net of costs when the Group is acting as an agent between the customer and the vendor. Several factors are considered to determine whether the Group is a principal or an agent, most notably whether the Group is the primary obligor to the customer, has established its own pricing, and has inventory and credit risks.

Revenue is recognized net of discounts and allowances, value-added tax and goods & service tax, and includes reimbursement of out-of-pocket expenses, with the corresponding out-of-pocket expenses included in cost of revenues.

Revenue from financing leases is recognized when risk of loss has been transferred to the client and there are no unfulfilled obligations that affect the final acceptance of the arrangement by the client. Revenue from operating leases is accounted on a straight-line basis as service revenue over the rental period. Interest attributable to financing leases included therein is recognized on an accrual basis using the effective interest method.

Interest income

Interest income for all financial instruments measured at amortized cost is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the EIR, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

Income taxes

Income tax expense comprises current and deferred income tax.

Income tax expense is recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Provision for income tax includes the impact of provisions established for uncertain income tax positions.

Deferred income tax assets and liabilities recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets and liabilities are recognized for those temporary differences which originate during the tax holiday period are reversed after the tax holiday period. For this purpose, reversal of timing differences is determined using first-in-first-out method.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the year that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognized subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognized in the statement of profit and loss.

In some tax jurisdictions, tax deductions on share based payments to employees are different from the related cumulative remuneration expenses. If the amount of the tax deduction (or estimated future tax deduction) exceeds the amount of the related cumulative remuneration expense, the excess of the associated tax is recognized directly in retained earnings.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. The Group identifies and determines separate useful lives for each major component of the property, plant and equipment, if they have a useful life that is materially different from that of the asset as a whole.

Expenses on existing property, plant and equipment, including day-to-day repairs, maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the year during which such expenses are incurred.

Gains or losses arising from derecognition of assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized. Property, plant and equipment under construction and cost of assets not ready for use at the year-end are disclosed as capital work-in-progress.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Intangible assets are amortized over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

The intangible assets are amortized over the estimated useful life of the assets as mentioned below except certain Licensed IPRs which include the right to modify, enhance or exploit are amortized in proportion to the expected benefits over the useful life which could range up to 15 years

Research and development costs

Research costs are expensed as incurred. Development expenditure, on an individual project, is recognized as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. Amortization expense is recognized in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Inventory

Stock-in-trade, stores and spares are valued at the lower of the cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Cost of stock-in-trade procured for specific projects is assigned by identifying individual costs of each item. Cost of stock in-trade, that are interchangeable and not specific to any project and cost of stores and spare parts are determined using the weighted average cost formula.

Impairment of non-financial assets

Goodwill

Goodwill is tested annually on March 31, for impairment, or sooner whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Group's cash generating units (CGU) expected to benefit from the synergies arising from the business combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU. Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU, pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill recognized in the statement of profit and loss is not reversed in the subsequent period.

Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which

the carrying value of the asset exceeds the estimated recoverable amount of the asset.

Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows.

Equity settled stock-based compensation

Stock-based compensation represents the cost related to stock-based awards granted to employees. The Company measures stock-based compensation cost at grant date, based on the estimated fair value of the award and recognizes the cost (net of estimated forfeitures) on a straight line basis over the requisite service period for each separately vesting portion of the award, as if award was in substance, multiple awards. The Company estimates the fair value of stock options using the Black-Scholes valuation model. The cost is recorded under the head employee benefit expense in the statement of profit and loss with corresponding increase in "Share Based Payment Reserve".

Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

All financial assets are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value measured on initial recognition of financial asset. Purchase and sale of financial assets are accounted for at trade date.

Cash and short-term deposits

Cash and short-term deposits in the balance sheet comprise cash in banks and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

Financial assets at amortized cost

A financial asset is measured at the amortized cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in other income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss. This category includes cash and bank balances, loans, unbilled revenue, trade and other receivables.

Financial asset at Fair Value through Other Comprehensive Income (OCI)

A financial asset is classified and measured at fair value through OCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent solely payments of principal and interest.

Financial asset included within the OCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. Interest income is recognized in statement of profit and loss for debt instruments. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from OCI to statement of profit and loss.

Financial assets at Fair Value through Profit and Loss

Any financial asset, which does not meet the criteria for categorization at amortized cost or at fair value through other comprehensive income, is classified at fair value through profit and loss. Financial assets included at the fair value through profit and loss category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investments

Equity investments, for which sufficient, more recent, information to measure fair value is not available, are measured at cost. Other equity investments in scope of Ind AS 109 are measured at fair value through profit and loss.

Equity investments included within the fair value through profit and loss category are measured at fair value with all changes recognized in the statement of profit and loss.

Derecognition of financial assets

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired, or the Group has transferred its rights to receive cash flows from the asset.

Impairment of financial assets

The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets

which are not fair valued through profit and loss. Lifetime ECL allowance is recognized for trade receivables with no significant financing component. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case they are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognized in statement of profit and loss.

Financial liabilities

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade payables, borrowings including bank overdrafts and other payables.

After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method except for deferred consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. Gains and losses are recognized in the statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

Derivative financial instruments and hedge accounting

Foreign exchange forward contracts and options are purchased to mitigate the risk of changes in foreign exchange rates associated with forecast transactions denominated in certain foreign currencies.

The Group recognizes all derivatives as assets or liabilities measured at their fair value. Changes in fair value for derivatives not designated in a hedge accounting relationship are marked to market at each reporting date and the related gains (losses) are recognized in the statement of profit and loss as 'foreign exchange gains (losses)'.

The foreign exchange forward contracts and options in respect of forecast transactions which meet the hedging criteria are designated as cash flow hedges. Changes in the derivative fair values (net of tax) that are designated as effective cash flow hedges are deferred and recorded in the hedging reserve account as a component of accumulated 'other comprehensive income (loss)' until the hedged transaction occurs and are then recognized in the statement of profit and loss. The ineffective portion of hedging derivatives is immediately recognized in the statement of profit and loss.

In respect of derivatives designated as hedges, the Group formally documents all relationships between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also formally assesses both at the inception of the hedge and on an ongoing basis, whether each derivative is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Hedge accounting is discontinued prospectively from the last testing date when (1) it is determined that the derivative financial instrument is no longer effective in offsetting changes in the fair value or cash flows of the underlying exposure being hedged; (2) the derivative financial instrument matures or is sold, terminated or exercised; or (3) it is determined that designating the derivative financial instrument as a hedge is no longer appropriate. When hedge accounting is discontinued the deferred gains or losses on the cash flow hedge remain in 'other comprehensive income (loss)' until the forecast transaction occurs. Any further change in the fair value of the derivative financial instrument is recognized in current year earnings.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis to realize the assets and settle the liabilities simultaneously.

Dividend

Final dividend proposed by the Board of Directors are recognized upon approval by the shareholders who have the right to decrease but not increase the amount of dividend recommended by the Board of Directors. Interim dividends are recognized on declaration by the Board of Directors.

Earnings per share (EPS)

Basic EPS amounts are computed by dividing the net profit attributable to the equity holders of the parent company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are computed by dividing the net profit attributable to the equity holders of the parent company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares). Dilutive potential equity shares are deemed converted as at the beginning of the year, unless issued at a later date. Dilutive potential equity shares are determined independently for each year presented.

Recently issued accounting pronouncements

On 28 March 2018, the Ministry of Corporate Affairs (MCA), notified Companies (Indian Accounting Standards) (Amendments) Rules, 2018, amending the following standards:

Appendix B to Ind AS 21, 'Foreign Currency Transactions and Advance Consideration'

The amendment clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration.

The Appendix is effective for annual periods beginning on or after 1 April 2018. However, since the Group's current practice is in line with the Interpretation, the Group does not expect any effect on its consolidated financial statements.

Ind AS 115, Revenue from Contract with Customers

Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard Ind AS 18 Revenue, Ind AS 11 Construction Contracts. The effective date for adoption of Ind AS 115 is financial periods beginning on or after 1 April 2018.

The core principle of Ind AS 115 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Under Ind AS 115, an entity recognizes revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The standard permits two possible methods of transition:

- Retrospective approach-Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The Group is currently evaluating the impact that the adoption of this new standard will have on its consolidated financial statements.

TABLE 5. PROPERTY, PLANT AND EQUIPMENT

Particulars	Computers and Accessories	Total
Gross carrying value as at April 1, 2018	-	-
Additions	113,566	113,566
Deletions	-	-
Gross carrying value as at March 31, 2019	113,566	113,566
Particulars	Computers and Accessories	Total
Accumulated depreciation as on April 1, 2018	-	-
Depreciation	-	-
Accumulated depreciation as on deletions	-	-
Accumulated depreciation as on March 31, 2019	-	-
Carrying value as at March 31, 2019	113,566	113,566
Carrying value as at April 1, 2018	-	-
The changes in the carrying value of property, plant and equipment for the year ended March 31, 2019 were as follows		
Particulars	Computers and Accessories	Total
Gross carrying value as at April 1, 2017	-	-
Additions	-	-
Deletions	-	-
Gross carrying value as at March 31, 2018	-	-
Particulars	Computers and Accessories	Total
Accumulated depreciation as on April 1, 2017	-	-
Depreciation	-	-
Accumulated depreciation as on deletions	-	-
Accumulated depreciation as on March 31, 2018	-	-
Carrying value as at March 31, 2018	-	-
Carrying value as at April 1, 2017	-	-

TABLE 6. INVESTMENTS, TRADE RECEIVABLES, CASH

Particulars	As at March 31, 2019	As at March 31, 2018
Non Current Investments		
Equity instruments of subsidiaries	-	-
Total carrying value	-	-
Particulars	As at March 31, 2019	As at March 31, 2018
Non-current		
Unquoted		
Investment carried at cost		
NSC Bond		5500
	-	5,500
Note: 3 Trade receivable		
Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Unsecured		
Considered good	13,925,750	6,925,750
Considered doubtful	-	-
Less : Allowance for credit loss	-	-
Total trade receivables	13,925,750	6,925,750
Note: 4 Cash and cash equivalents		
Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks		
In current and deposit accounts	165,384	129,679
Cash on hand	30,192	-
Total cash and cash equivalents		
Balances with banks in unpaid dividend accounts	103,172	103,172
	298,748	232,851

TABLE 7. OTHER CURRENT ASSETS AND EQUITY

Particulars	As at March 31, 2019	As at March 31, 2018
Advance income tax # (net of provisions` Unsecured, considered good)	56,752,735	58,742,735
Loans and advances to employees	648,065	33,000
Rental Advance	622,571	-
Others	583,800	413,800
Receivable from Govt authorities	1,281,377	477,107
	59,888,548	59,666,642
Note: 6 Equity		
Particulars	As at March 31, 2019	As at March 31, 2018
Authorised Capital		
2,10,00,000 Equity Shares of Rs.10/- each with equal vot	210,000,000	210,000,000
40,00,000 Preference Shares of Rs.10/- each with equal voting rights	40,000,000	40,000,000
	250,000,000	250,000,000
Particulars		
Particulars	As at March 31, 2019	As at March 31, 2018
Issued, Subscribed and paid up		
123,65,006 Equity Shares of Rs.10/- each with equal voting rights	123,650,060	123,650,060
35,10,800 Optionally Convertible Redeemable Preference Shares(OCRPS) at Rs.10	35,108,000	35,108,000
	158,758,060	158,758,060
(The paid up share capital includes shares worth Rs. 7,24,920 which were issued by the company in October 1994 for consideration other than cash)		
Name of the Share Holder	As at March 31, 2019	As at March 31, 2018
Shareholders holding more than 5% of total shares Vasudevan M	49,36,673 39.92%	55,36,673 44.78%
Closing Balance	49,36,673 39.92%	55,36,673 44.78%
Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:		
Particulars	As at March 31, 2019	As at March 31, 2018
At the beginning of the period	15,875,806	15,875,806
Add : Shares issued	-	-
Less : Shares bought back	-	-
At the end of the period	15,875,806	15,875,806

TABLE 8. TRADE PAYABLES AND OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2019	As at March 31, 2018
Loan from directors	5,535,397	3,166,105
Total	5,535,397	3,166,105
Note: 8 Trade payables		
Particulars	As at March 31, 2019	As at March 31, 2018
Trade payables	1,710,128	1,067,180
Total	1,710,128	1,067,180
Note: 9 Other current liabilities		
Particulars	As at March 31, 2019	As at March 31, 2018
Unpaid dividends*	103,172	103,172
Statutory liabilities	582,345	705,438
Other expenses payable	584,958	777,000
Gratuity Provision	183,704	240,758
Total	1,454,179	1,826,368
*Of the above Rs.51163/- was due for Investor Protection and education fund 29/08/2014. Company transferred the amount on 04/05/2015 and filed necessary forms.		

TABLE 9. REVENUE FROM OPERATIONS AND EXPENSES

Particulars	As at March 31, 2019	As at March 31, 2018
Sale of Products	2,500,000	-
Sale of Services	12,000,000	9,525,750
Total	14,500,000	9,525,750
Note: 11 Employee benefits expense		
Particulars	As at March 31, 2019	As at March 31, 2018
Salaries & Allowances	2,150,169	3,253,225
Contribution to Provident and other funds	-	149,423
Staff Welfare Expenses	64,013	45,273
Total	2,214,182	3,447,921
Note: 12 Other Expenses		
Particulars	As at March 31, 2019	As at March 31, 2018
Electricity Charges	236,535	457,957
Maintenance	395,607	442,077
Rent	1,687,946	1,797,860
Rates & taxes	-	10,000
Communication Expenses	167,623	155,198
Travelling Expenses	41,720	14,900
Audit Fee	470,555	618,000
Penalty, Fine etc	1,249,360	-
Legal ,Professional and Secretarial Expenses	992,445	4,247,729
Payables / Receivables written off	2,007	2,552,355
Other Expenses	309,204	4,489,411
Advertisement Expenses	15,860	8,400
Service Charges - others	75,337	-
Bank Charges	1,854	6,970
Total	5,646,053	717,325



Realize Your Ideas

ROUTE MAP OF AGM VENUE



TWENTY SEVENTH AGM ON MONDAY SEPTEMBER 30, 2019

AT 3.00 PM

AT 2nd Floor, Unit 9, STPI Building, 5 Rajiv Gandhi Road,
Taramani, Chennai 600113



DIGITAL
TRANSFORMATION

CsDigital

CsCloud

CsBigData

CLIDAC

CLISAC

ARGCIC

CLPM

YESHGEECOM

CASP

CHRONSCRAPER



CALIFORNIA SOFTWARE COMPANY LIMITED

CIN : L72300TN1992PLC022135

Regd. Office : 2nd Floor, Unit 9, STPI Building, 5 Rajiv Gandhi Road, Taramani, Chennai - 600 113.
Phone : 044-3910 3600 / 044-3910 3620, Email: investor@calsoftgroup.com

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall)

I/We hereby record my/our presence at the TWENTY SEVENTH ANNUAL GENERAL MEETING of the Company at 2nd Floor, Unit 9, STPI Building, 5, Rajiv Gandhi Road, Taramani, Chennai 600 113, on Monday, the 30th September, 2019 at 03.00 p.m.

..... Name of the Shareholder (in Block Letters) Regd. Folio No. (Physical) / I.D. No. (Demat) Name of the Proxy (in Block Letters) Signature of the Shareholder(s) / or Proxy present
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ELECTRONIC VOTING PARTICULARS

EVEN (E-Voting Event Number)	USER ID	PASSWORD/PIN

Please complete and sign this attendance slip and handover at the entrance of the meeting hall. Only Shareholder(s) or /their proxy with this attendance slip will be allowed entry to the meeting. Duplicate slips will not be issued at the entrance.



CALIFORNIA SOFTWARE COMPANY LIMITED

CIN : L72300TN1992PLC022135

Regd. Office : 2nd Floor, Unit 9, STPI Building, 5 Rajiv Gandhi Road,
Taramani, Chennai - 600 113.

Phone : 044-3910 3600 / 044-3910 3620, Email: investor@calsoftgroup.com

PROXY FORM (Form No. MGT-11)

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s):	Registered Address:
Email ID:	Folio. No./ Client ID and DP ID:

I/ We, being the Member(s) of the above named Company, holding shares, hereby appoint:

1. Name:.....	2. Name:.....	3. Name:.....
Address:.....	Address:.....	Address:.....
E-mail Id:.....	E-mail Id:.....	E-mail Id:.....
Signature:....., or failing him/her	Signature:....., or failing him/her	Signature:....., or failing him/her

as my/our Proxy to attend and vote for me/us on my/our behalf at the TWENTY SEVENTH ANNUAL GENERAL MEETING of the Company, to be held on Monday, the 30th September, 2019 at 3.00 p.m. at 2nd Floor, Unit 9, STPI Building, 5, Rajiv Gandhi Road, Taramani, Chennai 600113 and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

I wish my above Proxy to vote in the manner as indicated in the box below:

Resolution No	Resolutions	For	Against
Ordinary Business			
1.	To receive, consider and adopt the standalone and consolidated financial statements of the Company comprising of audited balance sheet as at 31 March 2019, the statement of profit and loss and cash flow statement for the year ended on that date and the reports of the Board and Auditors' thereon.		
2.	To appoint a Director in place of Mr. Mahalingam Vasudevan(DIN:01608150), who retires by rotation and being eligible, offers himself for re-appointment.		
Special Business			
3.	Appointment of Ms. AVN Srimathi (DIN 08328823) as an Independent Director of the Company.		
4.	Appointment of Mr. Sampath (DIN 08449699) as an Independent Director of the Company.		

Signed at this.....day of.....2019

Signature of the Member

Signature of the Proxy Holder

Affix
Revenue
Stamp

Note:1. This Form in order to be effective, should be duly filled, stamped, signed and deposited at the Registered Office of the Company, at 2ND Floor, Unit 9, STPI Building, 5, Rajiv Gandhi Road, Taramani, Chennai 600113, not less than Forty-Eight (48) Hours before the commencement of the Meeting. **2.** A proxy need not be a member of the Company. **3.** This is only optional. Please put a tick mark in the appropriate column against the resolutions indicated in the box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate. **4.** For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the TWENTY SEVENTH ANNUAL GENERAL MEETING of the Company.