



Realize Your Ideas



2010-11

ANNUAL REPORT

Corporate Information

At a Glance

California Software Company Limited (Calsoft) is a global software company with a strong background in consulting, development and implementation.

Founded

1992

Headquarters

Chennai, India

Stock symbol

NSE (Calsoft), BSE (Calisof)

Chief executive officer

S. (Sam) Santhosh

Web site address

www.calsoftgroup.com

Headquarters

Robert V Chandran Tower, # 149, Velachery Tambaram Main Road, Pallikaranai, Chennai 600 100, India.

Phone +91 44 4282 9000 | Fax+91 44 4282 9012

Board of Directors

Thomas Kevin Reilly	Chairman (wef 06th May 2011)
Clyde Michael Bandy	Chairman (upto 25th April 2011)
S. (Sam) Santhosh	Managing Director & CEO
Jerome Lazatin Lorenzo	Director (upto 03rd March 2011)
Mats Henrik Berglund	Director (wef 27th April 2011)
Dan George Peterson	Director
Dr. P. J. George	Independent Director
S.Santhanakrishnan	Independent Director

Company Secretary & Compliance Officer

Jitendra Kumar Pal

Auditors

Consolidated & Standalone

Tomy & Francis
Chartered Accountants

Main Bankers

Canara Bank

Stock Exchanges listed on

National Stock Exchange of India Limited
The Bombay Stock Exchange Limited

For demat & share transfer enquiries - Registrars and share transfer agent

Integrated Enterprises (India) Ltd.
(Unit: California Software Co. Ltd.)
2nd floor, Kencees Towers, 1, Ramakrishna Street, North
Usman Road, T Nagar,
Chennai 600017 India
Tel +91-44- 2814 0801 to 2814 0803
Email sureshbabu@iepindia.com

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Company Profile

About Us

Founded in 1992 and headquartered in Chennai; California Software Company Limited (Calsoft) is a global Software Services Company with a strong background in consulting, development and implementation.

Calsoft has 2 Business Divisions: Inatech and Strategic Investments.

Business Divisions

Inatech

- Consulting and System Integration and Managed Services

Strategic Investments

- ePay LLC, California, USA
- Impelsys Inc, USA

Joint Ventures

- Calspence Technologies Private Limited, Colombo, Sri Lanka

Our Offerings

Inatech

Inatech assists business organizations derive maximum value out of technology investments through Oracle and Microsoft business solutions.

Inatech is a globally Certified Platinum Partner for Oracle and is well positioned to provide a complete and integrated portfolio of services as a specialist Software / Application systems integrator.

Inatech also provides Managed Services across multiple technologies and Applications

The key focus areas for the Inatech group are:

- **Managed Services**
- **Consulting and System Integration**
- **Business Process Enablement**

It provides these services across multiple industries and segments.

Strategic Investments

The focus of this business division is to identify, complete and manage synergistic acquisitions. Current strategic investments include:

- ePay (CNHC LLC) - Based in California, USA. ePay is a leading provider of secure electronic payment processing solutions and self-service patient payment portals for hospitals. Based on the SaaS model the product is a one stop shop for payment solutions for the healthcare industry.
- Impelsys - Impelsys is a US-based Company that supports the global book publishing market with electronic content delivery products and services. It has a sales offices in New York and a development center in Bangalore.

Joint Venture

- Calspence is a Sri Lankan based joint venture company between Calsoft and Aitkin Spence. Focusing on the Sri Lankan market Calspence delivers implementation and consulting services.

Board Of Directors



Thomas Kevin Reilly
Chairman



S. (Sam) Santhosh
Managing Director



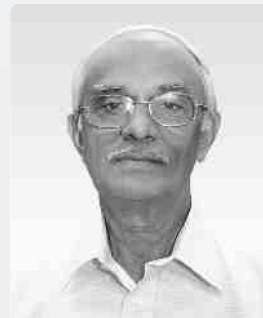
Mats Henrik Berglund
Director



Dan George Peterson
Director



S. Santhanakrishnan
Independent Director



Prof. P. J. George
Independent Director

Letter to the Shareholder

From the CEO's Desk



Dear Shareholder,

Greetings!

It gives me immense pleasure to present the achievements of Calsoft for the financial year 2010-11.

Your company has reported revenues of Rs. 180.98 crores as against Rs. 200.50 crores in the previous year.

I am pleased to announce the successful completion of the sale of your Outsourced Product Division - Calsoft Labs to ALTEN EUROPE, SARL (Alten). The sale includes all its tangible and intangible assets and transferred OPD employees. The total sale consideration is around Rs.100 Crores payable on meeting certain performance targets over the next 18 months as outlined in the definitive agreements.

Business Units:

Inatech: The unit has consolidated its operations and service offerings over the last year. It has expanded its revenues in Middle East and has been able to hold its revenues in its traditional market – UK.

On the business side Inatech has ramped up its delivery and sales capability in the Managed Services space and is projected to generate a sizable revenue from this business stream in the fy 2011-12.

Strategic Investment:

ePay.LLC: Operating on the SaaS model and servicing the healthcare industry, the company currently has 126 live customers. Some key customer names include Nebraska Orthopedic Hospital, Amsurg Hospital Group etc.

In the case of Calsoft the parts are more valuable than the sum. In the coming year we will generate more value for our shareholders through our business unit Inatech and strategic investments.

I thank our investors, customers, employees and all other key stakeholders for their continued support and patronage.

A handwritten signature in black ink, appearing to be 'S. Santhosh'.

S. (Sam) Santhosh
Managing Director

Financial Highlights

(All figures Rs. in Crores, unless mentioned otherwise)
(except share related data)

	Consolidated Basis			Standalone Basis		
	March 31 2011	March 31 2010	March 31 2009	March 31 2011	March 31 2010	March 31 2009
FOR THE YEAR ENDED						
Total Revenues	180.99	200.5	268.68	75.33	90.06	81.32
Operating Profit	(18.16)	11.29	(4.92)	(0.05)	23.17	7.45
Profit Before Taxes	(35.32)	59.98	(25.09)	(13.65)	8.26	(5.50)
Net Profit after Taxes and Adjustment	(19.14)	35.68	(22.74)	(7.80)	5.29	(8.05)
Net Profit as a % of revenue	NA	17.8	NA	NA	5.87	NA
As at End of the Year						
Net Fixed Assets	137.59	140.95	143.29	74.99	85.23	90.9
Cash & Bank Balances	20.86	22.90	40.31	4.47	5.44	2.36
Share Capital	12.36	12.36	12.36	12.36	12.36	12.36
Total Shareholder fund	87.62	109.15	83.41	93.17	100.98	98.58
Total Loan Fund	96.23	79.09	92.78	70.42	65.38	79.24
Share Related Data						
Earnings per Share						
Basic (Rs)	(15.48)	28.86	(18.39)	(6.31)	4.28	(6.51)
Diluted	(15.48)	28.86	(18.39)	(6.31)	4.28	(6.51)
Dividend for Equity share (Rs)	Nil	2	Nil	Nil	2	Nil
Dividend %	Nil	20	Nil	Nil	20	Nil
Book Value per share (Rs)	70.87	88.27	67.46	75.35	81.66	79.72
Market Capitalization	37.03	52.18	17.43	37.03	52.18	17.43
Based on share price on NSE - 31st March 2011						

Previous Year's figures have been reclassified to conform to current years figures wherever applicable

Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting their Report on the Business & Operations of your Company and its working results for the year 2010-11.

Financial Results - Highlights

All figures in Rupees Crores except EPS

Details	Consolidated		Standalone	
	Year ended March 31, 2011	Year ended March 31, 2010	Year ended March 31, 2011	Year ended March 31, 2010
Total Revenues	180.99	200.50	75.33	90.06
EBITDA	(18.16)	11.29	(0.05)	23.17
Interest & Finance Charges	10.60	11.40	8.16	8.87
Depreciation & Amortization	8.28	10.54	5.44	6.04
Profit before Tax	(35.32)	33.22	(13.65)	8.26
Provision for Taxation				
Current Tax	(10.25)	15.48	Nil	1.37
Deferred Tax	(5.93)	8.81	(5.85)	1.60
Profit after tax (PAT)	(19.14)	35.68	(7.80)	5.29
Surplus available for appropriation	14.33	36.76	Nil	21.99
Appropriations				
Dividend Proposed	Nil	2.47	Nil	2.47
Dividend Distribution Tax	Nil	0.42	Nil	0.42
Transferred to General reserve	Nil	0.40	Nil	0.40
Balance Carried to Balance sheet	14.33	33.48	10.89	18.70
Paid-up Equity Share Capital	12.36	12.36	12.36	Nil
Earning per share for the year (Rs)				
i) Basic	(15.48)	28.86	(6.31)	4.28
ii) Diluted	(15.48)	28.86	(6.31)	4.28

*Note: Previous year's figures have been reclassified wherever necessary to conform to current year classification.

Results of Operations

I) Consolidated Results

During the year, your Company on a consolidated basis with all its subsidiaries earned total revenue of Rs. 180.99 Crores as against Rs. 200.50 Crores earned during the previous year. The EBITDA during the year is Rs. (18.16) Crores as against Rs. 11.29 Crores 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 loss for the year is Rs. (19.14) Crores as against a profit of Rs. 35.68 Crores of the previous year. The results of operations of acquired subsidiaries have been consolidated into the accounts.

II) Standalone Results

During the year, your Company on a standalone basis earned total revenue of Rs. 75.33 Crores as against Rs. 90.06 Crores earned during the previous year. The EBITDA during the year is Rs. (0.05) Crores as against Rs. 23.17 Crores of the previous year.

After taking into account the tax provisions and adjustments, the loss for the year was Rs. (7.80) Crores as against a profit of Rs. 5.29 Crores for the previous year.

Dividend

Your Directors do not consider it prudent to recommend any dividend as your company has been running at a loss for the year ended 31st March 2011.

Business

Your company is primarily engaged in the business of providing IT services and solutions to its customers in US, Europe, Middle East and India. Our consolidated revenues show a loss due to 2 main reasons listed below:

- The impairment from American Healthnet – a wholly owned subsidiary of CSWL.
- Write off of bad debts resulting from 2 of our US customers

Your company has been engaged in the process of completing the sale of its Outsourced Product Development Business to Alten Europe (SARL). The sale includes all its tangible and intangible assets and head counts. The sale was concluded on 18th April 2011 for a consideration of about Rs. 100 Crores including initial payment and future payments based on the OPD business meeting certain performance targets over the next 18 months as outlined in the final definitive agreements.

Due to the divestments of its subsidiaries and also the sale of its OPD business division (Calsoft Labs) your company operations have become smaller in size with only 266 employees compared to 945 last year.

Review of Subsidiaries

I - CSWL, Inc. USA and its subsidiaries

CSWL Inc and its subsidiaries earned total revenue of US\$ 22.50 million (equivalent to Rs. 105.84 Crores approx) on a consolidated basis during the year, compared to US \$ 24.55 million (equivalent to Rs.109.73 Crores) achieved during the previous year.

The subsidiary reported a net loss of US\$ (2.77) million -approx (Rs. 12.51) Crores as compared to net consolidated profit of US\$ 6.92 million (equivalent to Rs. 32.56 Crores) last year.

The results of existing subsidiaries HealthNet International Inc., Aspire Soft, International Innovations Inc, Waldron Ltd and CNHC, LLC DBA ePayhealthcare ("ePay") are included for the full year under review.

II - Inatech Infosolutions Pvt. Ltd

The consolidated results of Inatech including its wholly owned UK subsidiary and UK Subsidiary's subsidiary Inatech Egypt have been taken into the Company's consolidated results.

Inatech on a consolidated basis reported revenues of Rs.53.70 Crores with a loss of Rs.(4.95) Crores against the consolidated reported revenues of Rs.70.09 Crores and profits after tax of Rs. (0.71) Crores of the previous year.

III - Aspire Communications Pvt, Ltd

The Consolidated results of Aspire including its wholly owned Subsidiary Aspire Peripherals Limited have been taken into the Company's Consolidated results for the full year.

Aspire on a consolidated basis has reported revenues of Rs. 6.29 Crores and net loss of Rs.(0.04) Crores against the consolidated reported revenues of Rs 5.11 Crores and net profit of Rs.0.06 Crore of the previous year.

IV - EastPoint Solutions Limited

This company was incorporated as a wholly owned subsidiary in the year 2007 in order to make appropriate foray in Business Process Outsourcing area (BPO) either on start up basis or with suitable investments /acquisitions of existing companies in this space. As on date the Company is yet to commence any commercial activity and there are no revenues or profits for the period ended March 31, 2011.

V - Calsoft Labs (India) Private Limited

Calsoft Labs (India) Private Limited was incorporated, in January 2011 to facilitate the transfer of the assets of the OPD Business of Labs after the completion of its sale to ALTEN Europe

The Company reported a turnover of Rs. 2.96 Crores.

VI - Calspence Technologies Private Limited (JV Company)

Calspence Technologies Private Limited in which the Company hold 50% shares reported a turnover of Rs.0.80 Crores with a loss of Rs.0.07 Crores for the year ending 31st March 2011.

Central Government Approval

Your company has been making applications for an approval under Section 212(8) of the Companies Act, 1956 from the Ministry of Corporate Affairs, seeking exemption from attaching the Annual Report of Subsidiary Companies with the Annual Report of the Company. The Ministry of Corporate Affairs, Government of India vide its Circular dated 08th February 2011 has provided general exemption to companies from attaching the balance sheets of their Subsidiary Companies as required under Section 212(8) of the Companies Act, 1956.

The exemption is available provided the company publish the audited consolidated financial statements in the Annual Report. The Consolidated financial statements duly audited are presented along with the accounts of your company. The statement as required under section 212 is given as part of the consolidated accounts in this report. The annual accounts of subsidiary Companies are kept at the company's registered office and also at the respective registered office of the subsidiaries for inspection and shall be made available to the members seeking such information.

Capital Market Developments

The market capitalizations of your Company stood at Rs.37.03 crores as on March 31, 2011, based on the closing quotations on the National Stock Exchange.

Completion of Transfer of OPD Business Division (Calsoft Labs)

During the year the company has completed the closure of its sale of Outsourced Product Division (OPD Business Division) of Calsoft to the buyer ALTEN EUROPE, SARL (Alten). The sale include all its tangible and intangible assets and transferred OPD employees. The total sale consideration is around Rs.100 Crores including initial payment and future payments based on OPD business meeting certain performance targets over the next 18 months as outlined in the definitive agreements.

Directors

Mr. Jerome Lazatin Lorenzo has resigned as director with effect from 03rd March 2011 and Mr. Clyde Michael Bandy resigned as Chairman and Director with effect from 25th April 2011. The Board wishes to place on record its deep sense of appreciation for the invaluable contribution made by Mr. Jerome Lazatin Lorenzo and Mr. Clyde Michael Bandy during their tenure as directors of the Company.

Mr. Mats Henerik Berglund, Chief Operating Officer & Chief Financial Officer of Chemoil has been inducted as an additional director with effect from 27th April 2011. Mr. Mats has held very senior positions in various industries. Mr. Mats Henerik Berglund is a non executive director. Mr. Mats Henerik Berglund will hold office upto the date of the ensuing Annual General Meeting. Mr. Thomas Kevin Reilly, Chief Executive Officer of Chemoil has been appointed as additional director with effect from 06th May 2011. He is the Chairman (non executive) of the Board. He has rich experience in the field of Fuel trading and bunker operations. He will hold office up to the date of the ensuing Annual General Meeting.

The Company has received notice under Section 257 of the Companies Act, 1956 from a member proposing Mr. Mats Henerik Berglund and Mr. Thomas Kevin Reilly for appointment to the office of Director liable to retire by rotation.

As per Article 121 of the Articles of Association Mr. S. Santhanakrishnanan retires by rotation in the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

Auditors

The statutory auditors M/s Tomy & Francis, Trichur, Chartered Accountants retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if re-appointed.

Auditors Report

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

1. Diminution in the value of investments in the subsidiary and dues from the subsidiary

We are of the opinion that the losses incurred in the subsidiary are temporary and there is no permanent diminution in the value of investments and hence this does not require provisions. We are hopeful to recover the dues from the subsidiary in the current year.

2. Service Tax Refund Claim

The company has made a Service Tax refund claim and this is pending settlement. We are hopeful of succeeding in the appeal and hence no provision has been made.

3. Amount paid to Director

This amount was paid to a Director as compensation for loss of office as his services has been discontinued. As per section 269 of the Companies Act, 1956 no approval is required for this payment disbursement. No provision is required as per recent Circular issued by Ministry of Corporate Affairs. The board has decided to not to recover the amount.

Deposits

We have not accepted any fixed deposits and as such no amount of principal or interest was outstanding as of the Balance Sheet date.

Corporate Governance

Your Company has been practicing the principles of good Corporate Governance. A detailed report on Corporate Governance is given as an Annexure to this Annual Report.

Certificate of the Auditors regarding the compliance with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement is also given in the Annual Report.

Human Resource Management

Employees are our most valuable assets. We have created a favorable work environment that encourages innovation and meritocracy.

The total number of our head count as on 31st March 2011 was 266 as against 945 as on March 31st 2010. All labs employees were transferred to Calsoft Labs (India) Private Limited prior to completion of sale of the OPD Business Division.

Particulars of Employees

In terms of the provisions of section 217(2A) of the Companies Act 1956, read with the Companies (Particulars of Employees) Rules 1975 as amended, the names and other particulars of the employees are required to be set out in the Annexure to the Directors' Report and form part of this report as Annexure. However, as per the provision of the Section 219 (1) (b)

(iv) of the said Act, the Annual Report excluding the aforesaid Annexure information is being sent to all the members of the Company and others entitled thereto. Members who are interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company for the same.

Conservation of energy, technology absorption, foreign exchange earnings and outgo

The particulars as prescribed under sub-section (1) (e) of section 217 of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988, are set out in the Annexure forming part of this report.

Directors' Responsibility statement

Pursuant to section 217 (2AA) of the Companies (Amendment) Act, 2000, the Directors confirm that:

- In the preparation of the Annual Accounts for the year under report, the applicable accounting standards have been followed;
- Appropriate accounting policies have been selected and applied consistently and have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2011;
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Annual Accounts have been prepared on a Going Concern Basis.

Acknowledgement

Your Directors take this opportunity to thank the 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. Your Directors place on record their appreciation for the valuable contribution made by the employees at all levels.

For and on behalf of the Board of Directors

Chennai
June 27, 2011

Dr. P. J. George
Director

S. Santhosh
Managing Director

Annexure to Directors' Report

Particulars pursuant to Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

1. Conservation of Energy

The operation of your Company does not consume high levels of energy. Adequate measures have been taken to conserve energy wherein your Company uses the latest technology and energy efficient equipment. As energy cost forms a very small part of total costs, the impact on costs is not material.

Energy Conservative Initiatives:

Power Saving:

This year we devoted considerable attention on methods and approaches to conserve power. Significant steps taken in this regards include the following:-

- Turning off monitors during weekends.
- Hibernation of Desktops and notebook computers when not in use.
- Turning-off lights in all floors during non-working hours
- Operating only 1 lift after 7 PM
- Turning-off the Air Conditioners during non-peak hours and weekends

Water Conservation:

There has been increasing awareness of the need to conserve water both in usage practices and in securing our sources. Some steps that helped to create an impact include the following:-

Turning-off lights in all floors during non-working hours

- Sensors in toilets to optimize water usage
- Sewage Water treatment Plant to recycle water
- Rain water harvesting being planned.

Pollution Control & Reporting:

Towards achieving better environmental standards, regular checks on air quality, monitoring of noise levels and monitoring of fuel stock is being carried out at RVC Tower.

2. Technology Absorption

Technology is witnessing rapid change. We proactively and continuously invest in developing technology building blocks and solution frameworks which add value to our customers business.

a. Research & Development

Your Company continually invests in research and development ensuring a high level of technical competence. Research and Development refers to

- General Software Development which includes adoption of new technologies, process improvement etc.
- Continuous development & innovation in the Software Development Life Cycle process
- Continuously improving the existing products

b. Benefits Derived

Your Company achieved a higher degree of methodology standardization in handling software projects. The results will help the Company in leveraging these learnings into developing better solutions for its clients. This will also internally improve the Company's quality and productivity and provide it the competitive edge.

c. Future Plan of Action

Your Company plans to strengthen its R&D activities in product and application development areas and absorption of new technologies.

d. Expenditure incurred

The expenditure is mainly in the form of salaries and benefits to the employees involved, which are charged to the revenue account.

3. Technology Absorption, Adaptation and Innovation

Your Company uses the latest technology available in its operations. Your Company continues to keep its thrust in modern technology applications.

4. Foreign exchange earnings and outgo for the year ended

March 31, 2011

	<i>(Rs in Crore)</i>	
	2011	2010
Foreign exchange earnings	67.41	84.35
Foreign exchange outgo	8.58	17.61
<i>(including capital goods and imported software packages)</i>		

For and on behalf of the Board of Directors

Chennai
June 27, 2011

Dr. P.J. George
Director

S. Santhosh
Managing Director

Auditors' Report on Corporate Governance

To
The Board of Directors,
California Software Co. Ltd.

We have examined the compliance of conditions of Corporate Governance by California Software Company Limited for the year ended on 31st March, 2011 as stipulated in Clause 49 of the listing agreement of the said Company with the Stock Exchanges. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders'/Investors' Grievance Committee.

We further state that such compliance 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.

FOR TOMY & FRANCIS
Chartered Accountants

Chennai
June 27, 2011

K.J. TOMY, B Sc., F.C.A
Partner
Membership No 22768

Corporate Governance

1. Company's philosophy on code of governance

The Company is committed to good corporate governance and provides detailed information to its shareholders on various issues concerning the Company's business and financial performance. The Company is in compliance with the mandatory requirements of the revised guidelines on corporate governance stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges.

2. Board of Directors

a. Composition and category of Directors as on March 31, 2011

Category	No. of Directors	%
Founder Director	1	16.67
Non-executive Directors	3	50
Independent Non-executive Directors	2	33.33
Total	6	100.00

b. Number of Board meetings held during the financial year and the dates on which held:

No. of meetings	Dates on which held
5	23rd June 2010, 31st July 2010, 17th September 2010, 12th November 2010 and 09th February 2011.

c. Attendance of each Director at the Board meetings and the last AGM:

Sl. No.	Name of the Directors	No. of Board	Attendance
		meetings	at the last AGM
		Attended	(Yes/No)
1	Clyde Michael Bandy (upto 25th April 2011)	2	Yes
2	S. Santhosh	5	Yes
3	Dr P J George	5	Yes
4	Dan G Peterson	Nil	No
5	S.Santhanakrishnan	4	No
6	Jerome Lazatin Lorenzo (upto 03rd March 2011)	Nil	No
7	Mats Henrik Berglund (wef 27th April 2011)	Nil	Not applicable
8	Thomas Kevin Reilly (wef 6th May 2011)	Nil	Not applicable

3. Audit Committee

a. Brief description of terms of reference:

The Audit Committee is responsible for effective supervision of the financial reporting process and ensuring financial and accounting and internal controls and compliance with financial policies of the Company. The committee will periodically interact with the statutory and internal auditors, review with the management the Company's financial and risk management policies and adequacy of internal controls. The committee will mandatorily review the Quarterly and Annual financial statements before they are submitted to the Board for approval. The committee will also recommend the appointment and removal of statutory auditors and internal auditors.

b. Composition of the Committee:

The current composition is:

Dr. P.J. George, Chairman
Dan George Peterson, Member
S. Santhanakrishnan, Member

c. Meetings and attendance during the year:

The Committee held four meetings, on 23rd June 2010, 31st July 2010, 12th November 2010 and 09th February 2011. All the meetings were attended by atleast two of its members. The statutory auditors of the Company were also invited to attend the Audit Committee meetings.

4. Compensation Committee

a. Brief description of terms of reference:

The Committee is to recommend to the Board regarding remuneration to be paid to the Board members and the grant of Stock Offers and Options to the employees based on an evaluation of their performance, potential for future contributions, commitment shown to work, conduct and such other factors as may be specified.

b. Composition of the committee:

Current composition is

Dr P J George, Chairman
S. Santhanakrishnan, Member

c. Meetings and attendance during the year:

No meeting was held during the year.

d. Remuneration policy:

The remuneration policy of the Company is to adequately compensate, by way of salary to motivate and retain all key employees and officers of the Company.

e) Details of remuneration paid to Directors during the year 2010-2011: in Rs.

Sl No	Name	Designation	Salary	Performance Incentive	Commission	Total	Notice Period	Severance fee	No. of Options	Remarks
1	Clyde Michael Bandy	Chairman	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2	S. Santhosh	Managing Director	Nil	Nil	Nil	Nil	6 months	Nil	Nil	He drew Salary from CSWL Inc., a wholly owned subsidiary of the Company in the U.S
3	Dan G Peterson	Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
4	Dr. P J George	Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Sitting fees were paid for Board and committee meetings attended
5	S. Santhanakrishnan	Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Sitting fees were paid for Board and committee meetings attended
6	Jerome Lazatin Lorenzo	Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

5. Investor Grievance Committee**a. Constitution of the Committee:**

Dr P J George, Chairman
Mr.S.Santhanakrishnan, Member

b. Name & designation of the compliance officer:

Mr. Jitendra Kumar Pal

c. Number of shareholders' complaints received, number not solved to the satisfaction of shareholders and the number of pending share transfers:

The details are provided in the "Shareholder Information" section of this report.

6. General Body Meetings**a. Location and time where last three AGMs were held:**

Year	Date	Venue	Time
2007-2008	Aug 29, 2008	Robert V Chandran Tower, 149, Velacherry Tambaram Main Road, Pallikarnai, Chennai-600 100	03.00 p.m
2008-2009	Aug 28, 2009	Same as above	11.00 a.m
2009-2010	Sep 17, 2010	Same as above	10.00 a.m

Special resolutions passed in the previous three AGM year 2007-08 – yes.

- 1) preferential allotment of shares
 - 2) issue of shares under Employee Stock Option plan
- year 2008-09 – Nil
Year 2009-10 - Nil

b. Whether special resolutions were put through postal ballot last year, details of voting pattern, person who conducted the postal ballot exercise and procedure for postal ballot:

No special resolution was put through postal ballot last year.

Whether any special resolution proposed to be conducted through postal ballot and if so procedure for postal ballot:

No

7. Disclosures**a. Disclosures on materially significant related party transactions i.e. transactions of the Company of a material nature, with its promoters, the Directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large:**

The details as applicable are provided under the paragraph "Related party transactions" in the "Notes on Accounts" in Financial statements.

b. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets, during the last three years.

NIL

8. Means of communication**Quarterly results / other information**

The quarterly results are normally published in leading newspapers like (Business Standard (in English)/ Trinity Mirror and Makkal Kural (Tamil) as) statutorily required. The financial results are posted on the Company's website www.calsoftgroup.com. The website also displays all official news releases. As & when presentations are made to institutional investors/ analysts, the same will also be posted on the Company's website.

c. Whether Management Discussion and Analysis is a part of the Annual Report or not:

Yes - forming part of the Annual Report

9. General Shareholder Information:

The details are provided in the "Shareholders Information" Section of this report

10. As per Clause 49 of the Listing Agreement with Stock Exchanges, Company is required to obtain a Certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance. The Auditors' Certificate in respect of compliance thereof is enclosed in this Annual Report.

Confirmation on Code of Conduct

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

To
The Members,
California Software Co. Ltd.,

This is to declare that the Code of Conduct adopted by the Company for the Board of Directors and the Senior Management Personnel of the Company have been complied with by all the members of the Board of Directors and all the Senior Management Personnel of the Company. The full text of the Code adopted is available on the Company's website.

Date: June 27, 2011

S. Santhosh
Managing Director

Management's Discussion and Analysis

a. Industry Structure and Developments

The key drivers for IT Industry continue to be strong and we do not foresee significant threats to our existing IT offerings and services, mainly fueled by the revival in the bigger western markets. The pressure on organizations to reduce costs by optimization of processes through technology to improve bottom lines will continue to ensure business continuation for IT companies.

b. Opportunities and threats

The significant opportunities that Calsoft sees for growth and the achievement of its near term goals are based on the following:

- Calsoft's implementation expertise in its Enterprise offerings combined with deep domain expertise in select industry verticals clearly provide an edge for the company in the markets that it functions in.
- According to industry analysis like Forrester, enterprises are looking for help making the move from a Time & Material model of engagement to a managed services model which not only help in driving down costs but also ensures that the projects are more outcome oriented. Calsoft has made considerable investments in the Managed Services area and is poised to reap in the benefits of this market opportunity.

The main threats to the growth of the Company will come from:

- Foreign exchange rate fluctuations. As the Company uses India as a major source of manpower, the exchange rate of the Rupee vis-à-vis the US Dollar and other currencies could affect its ability to compete, and have short-term impact on profitability.

c. Segment wise performance

For the financial year under consideration, your company has reported results of the business units viz Product Engineering Services, Enterprise Solutions, Strategic Investments Solutions and Infrastructure Management Services.

The Company recognizes each of the business unit as its primary segments. The performances of these segments have been separately reported in *Note No.14 of Schedule 21 of the Consolidated Financial Statements of the Company and Note No15 of Schedule 20 of the standalone statements.*

d. Outlook

The Company has taken stock of the steady revival in the market and also the constant pressure on margins and has introduced steps to maintain its current margins.

Over the last year, we focused on our existing customer base for its growth. We have been successful in growing the size of our existing accounts as well as branch into newer divisions within these accounts, through ongoing investments in account management capabilities.

e. Risks and concerns

The risks that face the company are the ones that face the industry today and these are monitored periodically. These risks include cut down in IT budgets, volatility in currencies and withdrawal of tax benefits. Other risks that are closely monitored are risks of client concentration, geographical spread, competition and financial stability of our customers.

The risks and uncertainties include, but are not limited to; risks and uncertainties regarding fluctuations in earnings and exchange rates, and the Company's ability to manage growth in the face of intense competition in IT services.

f. Internal control systems and their adequacy

Calsoft has deployed adequate Internal Control Systems (ICS) in place to ensure a smooth functioning of its business. The Control Systems provide a reasonable assurance of recording the transactions of its operations in all material aspects and of providing protection against misuse or loss of company's assets.

The existing internal control systems and their adequacy are frequently reviewed and improved upon to meet the changing business environment.

g. Material development in Human Resources

Calsoft's biggest assets are its employees. Our endeavors are driven by a strong set of values imbibed in us and policies that we abide by.

As on March 31, 2011, our group employee strength stood at 266

h. Financial and performance highlights

a. Revenues

Sales revenues for the year ended 31st March 2011 was Rs. 177.33 crores as compared to Rs. 197.45 crores for the same period last year.

	<i>(Rs. Crore)</i>	
Year ended	March 31,	March 31,
Revenue details	2011	2010
Sales/services rendered	177.33	197.45
other Income	3.65	3.05
Total Revenues	180.99	200.50

b. Operating Expenses

Total Operating expenses for the year ended 31st March 2011 was Rs.199.14 crores as compared to Rs. 189.22 crores for the previous year.

c. EBIDTA

Earning before Tax, Depreciation and Amortization for the year ended 31st March 2011 was Rs. (18.16) crores as compared to Rs. 11.29 crores for the previous year.

d. Profit before Tax

Profit before Tax was Rs. (35.32) crores for the year ended 31st March 2011 as compared to Rs. 33.22 crores for the previous year.

e. Profit after Tax

Profit after tax was Rs. (19.14) crores for the year ended 31st March 2011 as compared to Rs. 35.68 crores for the previous year.

f. Interest and Borrowings

Interest and finance charges for the year ended 31st March 2011 was Rs. 10.60 crores as compared to Rs. 11.40 crores for the previous year.

g. Fixed Assets

Net block stood at Rs. 137.59 crores as on 31st March 2011 as compared to Rs. 140.95 crores of the previous year.

h. Cash Generation

Cash generated from operations was 13.07 crores for the year ended 31st March 2011 as compared to Rs. 12.96 crores of the previous year

i. Manpower

The total employee strength as on 31st March 2011 was 266 as against 945 as on 31st March 2010.

CONSOLIDATED FINANCIAL STATEMENTS

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Auditors' Report on the Consolidated Financial Statements of California Software Company Ltd. and its Subsidiaries

To
The Members,
California Software Co. Ltd.

We have examined the Consolidated Balance Sheet of California Software Company Ltd. (Parent company) with all its subsidiaries, as at 31st March 2011, and also the Consolidated Profit & Loss Account and the Consolidated Cash flow statement for the year ended on that date annexed thereto.

The subsidiaries included in the consolidation are:

- I. CSWL, Inc. USA (100% equity held by Parent company) along with its subsidiaries
 - a) Healthnet International Inc, USA (100% equity held by CSWL Inc) and its 100% subsidiary International Innovations
 - b) CNHC, LLC DBA ePayhealthcare in which CSWL, Inc. owns 51% of the outstanding voting stock
 - c) Waldron Limited, Hong Kong (100% of voting stock held by CSWL Inc) and
 - d) AspireSoft Corporation (100% outstanding stock held by CSWL Inc)
- II. Aspire Communications Pvt Limited, India (100% equity held by parent Company (PY 57.63% Refer our note 12.a))
- III. Inatech Infosolutions Pvt Ltd, India (100% equity held by Parent company) and its wholly owned subsidiary Inatech Solutions Ltd, UK and sub subsidiary Inatech Solutions, Egypt (51% share held by Inatech Solutions Ltd, UK)
- IV. EastPoint Solutions Ltd, India (100% equity held by Parent company)
- V. Calsoft Labs India Private Limited (100% equity held by the parent company together with Aspire)
- VI. Calspence Technologies private Limited (a Joint Venture company in which parent company holds 50% of the equity)

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the Financial Statements of I-CSWL, Inc. USA (consolidated basis with its subsidiaries) II-Inatech Infosolutions Pvt Ltd, and its subsidiary audited by other auditors and III-EastPoint Solutions Ltd, India as at 31st March 2011. These financial Statements have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the parent company and subsidiaries, is based solely on the report of the other auditors.

We draw your attention to the comment made by the Auditors of the Subsidiary Inatech Infosolutions Private Limited, regarding:

1. The value of investments in the subsidiary amounting to Rs. 28,320,150/- and dues from the step down subsidiary of Rs. 11,951,297/- being considered good on the ground that the losses of the subsidiaries are temporary and there is no permanent diminution in the value of investments and not requiring any provision as detailed in the note referred above in respect of which considering the uncertainties, we do not express any opinion in the matter.
2. Service Tax refund claim of Rs.40.37 lakhs not being provided and pending settlement of the dispute we do not express any opinion in the matter and
3. amount paid to a director which according to the Company does not require approval under Section 269 of the Companies Act, 1956 in respect of which we do not express any opinion and any consequential impact on the financial statements is not ascertained

Further, we report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard AS-21 on Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of California Software Company Ltd. and its subsidiaries included in the Consolidated Financial Statements.

Subject to the above, on the basis of the information and explanation given to us and on the consideration of the separate audit reports on individual audited financial statements of California Software Company Ltd. and its aforesaid subsidiaries, we are of the opinion that

- a) The Consolidated Balance Sheet gives a true and fair view of the Consolidated state of affairs of California Software Company Ltd, and its subsidiaries as at 31st March, 2011 and
- b) The Consolidated Profit & Loss account gives a true and fair view of the consolidated results of the operations of California Software Company Ltd, and its subsidiaries for the year ended on that date and
- c) In the case of consolidated cash flow statement, it gives a true and fair view of the consolidated cash flows of California Software Company Ltd, and its subsidiaries for the year ended on that date.

Chennai
June 27, 2011

FOR TOMY & FRANCIS
Chartered Accountants

K.J. TOMY, B Sc., F.C.A
Partner
Membership No 22768
FRN: 010922S

Consolidated Balance Sheet as at

(in Rupees)

		March 31, 2011	March 31, 2010
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	123,650,060	123,650,060
Reserve and Surplus	2	752,643,790	967,842,604
MINORITY INTEREST		(22,598,993)	20,228,988
LOAN FUNDS			
		Nil	
Secured Loans	3	835,415,306	790,556,820
Unsecured Loans	4	123,928,545	357,589
DEFERRED INCOME TAX LIABILITY		22,064,131	110,499,740
TOTAL		1,835,102,840	2,013,135,801
APPLICATION OF FUNDS			
FIXED ASSETS			
Original Cost		1,892,189,890	1,847,418,075
Less: Accumulated Depreciation		516,265,410	437,942,971
Net Block	5	1,375,924,479	1,409,475,104
CAPITAL WORK IN PROGRESS		Nil	Nil
INVESTMENTS	6	41,356,614	42,439,332
DEFERRED TAX ASSET		16,946,644	Nil
CURRENT ASSETS, LOANS & ADVANCES			
a) Sundry Debtors (Unsecured & Considered Good)	7	361,217,321	497,438,237
b) Inventories		Nil	253,575
c) Cash & Bank Balances	8	208,601,889	229,014,255
d) Other current assets	9	Nil	
e) Loans & Advances	10	427,003,814	431,832,543
		996,823,025	1,158,538,610
Less: Current Liabilities	11	589,976,696	399,995,084
Provisions	12	6,242,776	197,591,190
NET CURRENT ASSETS		400,603,553	560,952,336
MISCELLANEOUS EXPENDITURE (to the extent not w/off or adjusted)		271,550	269,029
TOTAL		1,835,102,840	2,013,135,801
SIGNIFICANT ACCOUNTING POLICIES	20		
NOTES ON ACCOUNTS	21		

The schedules referred to above and the notes thereon form an integral part of the consolidated balance sheet.
As per our report of even date attached

FOR TOMY & FRANCIS
Chartered Accountants

S. Santhosh
Managing Director

Dr. P. J. George
Director

Jitendra Kumar Pal
Company Secretary

K. J. TOMY, B.Sc, F C A
Partner Membership No. 22768

Chennai
June 27, 2011

Consolidated Profit and Loss Account for the Year Ended

(in Rupees)

	Schedule	March 31, 2011	March 31, 2010
1. INCOME			
Sales/ Service rendered	13	1,773,393,950	1,974,537,869
Interest/ Other income	14	36,467,931	30,489,441
Stock Differential / Work In Progress		Nil	Nil
Total Income		1,809,861,882	2,005,027,310
II. OPERATING EXPENDITURE			
Purchases & Related Expenses	15	376,828,698	286,125,290
Employee Costs	16	1,215,380,971	1,265,233,601
General and Administrative Expenses	17	362,542,945	298,427,974
Selling expenses	18	36,678,052	42,370,990
Total Operating Expenses		1,991,430,665	1,892,157,855
Operating Profit Before Interest, Depreciation, Adjustments, write-offs and taxes		(181,568,784)	112,869,455
Less: Interest & Finance Charges	19	105,980,956	114,095,246
Depreciation		48,086,249	49,114,420
Amortisation/ Write Offs		34,763,250	56,352,961
Total Finance Charges/depreciation/amortisation		188,830,454	219,562,627
Profit Before Prior Period Adj/Extraordinary items, Minority Adj. & Taxes		(370,399,238)	(106,693,172)
Less:			
Prior Period Adj.		301,090	(38,302)
Extraordinary Items - Loss from Discontinued Operation and Impairment of Investment		Nil	(695,732,313)
Minority Interest Adjustment		(17,466,810)	(10,713,033)
Profit Before Tax		(353,233,518)	599,790,476
Less:			
Provision For Income Tax		(102,473,433)	154,782,067
Provision For Fringe Benefit Tax		Nil	Nil
Provision For Deferred Tax - Benefit		(59,337,881)	88,180,209
Profit After Tax		(191,422,204)	356,828,200
Profit Balance Brought forward from previous years		334,763,825	10,870,438
Transfer on Amalgamation (Note 1 on Schedule 21)			
Amount Available For Appropriation		143,341,621	367,698,638
Appropriations Proposed		Nil	Nil
Proposed Dividend		Nil	24,731,662
Dividend Tax & Surcharge		Nil	4,203,146
Transferred To General Reserve		Nil	4,000,000
Balance Carried to Balance Sheet		143,341,621	334,763,830
Earnings Per Share			
Weighted Average number of equity shares outstanding during the year		12365006	12365006
Basic		(15.48)	28.86
Diluted		(15.48)	(18.39)
SIGNIFICANT ACCOUNTING POLICIES	20		
NOTES ON ACCOUNTS	21		

The schedules referred to above and the notes thereon form an integral part of the consolidated profit and loss account
As per our report of even date attached

FOR TOMY & FRANCIS
Chartered Accountants

S. Santhosh
Managing Director

Dr. P. J. George
Director

Jitendra Kumar Pal
Company Secretary

K. J. TOMY, B.Sc, F C A
Partner Membership No. 22768

Chennai
June 27, 2011

Schedules Forming Part of Consolidated Accounts for the Year Ended

(in Rupees)

	March 31, 2011	March 31, 2010
SCHEDULE 1. SHARE CAPITAL		
AUTHORISED CAPITAL		
150,00,000 Equity Shares of Rs.10/- each	150,000,000	150,000,000
ISSUED CAPITAL		
12,365,006 Equity Shares of Rs.10/- each	123,650,060	123,650,060
SUBSCRIBED, CALLED UP & PAID UP CAPITAL		
12,365,006 Equity Shares of Rs.10/- each	123,650,060	123,650,060
Fully Called up and Paid up		
Note:		
Of the above 724,920 equity shares of Rs.10/- each were issued as fully paid-up for consideration other than cash		
TOTAL	123,650,060	123,650,060
SCHEDULE 2. RESERVES & SURPLUS		
Capital Reserves as per last Balance Sheet	206,250	206,250
Add: Additions During The Year	Nil	Nil
	206,250	206,250
Share Premium account as per last Balance Sheet	639,575,545	639,575,545
Add: Additions During The Year	Nil	Nil
	639,575,545	639,575,545
Deductions (Note 1 below)	6,490,613	Nil
	633,084,932	639,575,545
General Reserve as per last B/s	66,752,611	62,752,611
Add: Additions During The Year	Nil	4,000,000
	66,752,611	66,752,611
Deductions	888,360	Nil
	65,864,251	66,752,611
Currency Translation Reserve as per last B/s	(73,455,632)	(2,963,797)
Add: Additions During The Year	(16,397,633)	(70,491,835)
	(89,853,265)	(73,455,632)
Profit & Loss Account Balance carried over from Profit & Loss A/c	143,341,621	334,763,830
TOTAL	752,643,790	967,842,604
SCHEDULE 3. SECURED LOAN		
Bank Term loans and Working capital loans - India	698,257,429	648,430,770
(Secured by Exclusive charge over the building, Machinery, equipments & current assets and by personal guarantees and corporate guarantee.)	Nil	Nil
Car Loan	Nil	204,339
(Secured by hypothecation of Certain vehicles)	Nil	Nil
Interest Accrued & Due	5,933,208	7,687,030
Long Term Debt - Mortgage Loan	26,837,543	26,968,505
Working Capital Limits Overseas subsidiaries (Collaterised by all the assets)	104,387,126	107,266,176
	Nil	Nil
TOTAL	835,415,306	790,556,820

Schedules Forming Part of Consolidated Accounts for the Year Ended

(in Rupees)

	March 31, 2011	March 31, 2010
SCHEDULE 4. UNSECURED LOAN		
Notes Payable / Lease Payable	Nil	357,589
Loan From directors (Subsidiary TFL)	Nil	Nil
Loan From Others	0	Nil
DTI Loan Nil UK	Nil	Nil
Loan from IDC/Calsoft	123,928,545	Nil
Security deposit	Nil	Nil
Interest payable	Nil	Nil
ICICI Banking Corporation Ltd	Nil	Nil
SBT Van Loan	Nil	Nil
City Bank Nil Term Loan	Nil	Nil
SIDBI	Nil	Nil
0% Fully Convertible Debentures	Nil	Nil
TOTAL	123,928,545	357,589

SCHEDULE 5. FIXED ASSETS

(in Rupees)

Particulars	Cost as on				Depreciation				WDV	
	as on 1 April 2010	Additions For the Period	Deductions	as on 31 March 2011	as on 1 April 2010	For the period	Deductions	as on 31 March 2011	as on 31 March 2011	as on 31 March 2010
Computer& accessories	223,908,899	7,549,955	45,209	231,413,645	193,991,238	20,658,260	50,365	214,599,133	16,814,512	29,917,661
Office Equipment	11,259,964	1,967,858	(2,841,198)	16,069,020	2,745,919	1,460,890	(800,857)	5,007,666	11,061,354	8,514,045
Furniture&Fittings	179,190,503	354,918	9,834,332	169,711,089	29,586,700	11,102,896	3,644,649	37,044,946	132,666,143	149,603,804
Plant & Machinery	48,348,505	Nil	Nil	48,348,505	3,868,031	2,296,578	Nil	6,164,609	42,183,896	44,480,474
Fixtures& Fittings	14,049,441	39,650	Nil	14,089,091	1,906,239	905,733	1	2,811,971	11,277,120	12,143,202
Vehicle	6,863,594	Nil	258,878	6,604,716	6,441,979	(165,451)	149,063	6,127,465	477,251	421,615
Building	586,262,035	Nil	17,647,387	568,614,648	19,634,247	9,522,193	2,834,133	26,322,307	542,292,341	566,627,788
Books	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Land	40,567,437	Nil	11,849,913	28,717,524	Nil	Nil	Nil	Nil	28,717,524	40,567,437
Proprietary Software	291,671,424	35,988,020	(11,186,556)	338,846,001	179,768,622	37,054,583	(1,364,109)	218,187,314	120,658,687	111,902,802
Goodwill	450,005,544	65,670,509	Nil	469,775,651	Nil	Nil	Nil	Nil	469,775,651	450,005,544
Total	1,852,127,346	19,770,107	25,607,965	1,892,189,890	437,942,975	82,835,681	4,513,246	516,265,410	1,375,924,479	1,414,184,371
P Y ended 31/3/10	1,799,099,349	162,974,969	114,656,244	1,847,418,074	377,209,419	104,616,901	43,883,345	437,942,975	1,409,475,099	

Notes :

1. Current year opening balances of original cost and accumulated depreciation incorporate year opening balance of subsidiaries acquired during the year and are adjusted for assets of subsidiaries divested during the year.

	March 31, 2011	March 31, 2010
SCHEDULE 6. INVESTMENTS (AT COST)		
In government Securities	5,500	5,500
Investment in Aspire Soft corporation	Nil	Nil
Trust money in CalSoft Employees Welfare Trust	17,500	17,500
Investment in CSWL	Nil	Nil
Investment in East Point	Nil	Nil
Investment in Inatech info Solution P Ltd	Nil	Nil
Investment in AHN	41,333,615	41,622,270
Investment in Aspire Com	Nil	Nil
Investment in Calspence	Nil	794,062
Investment in IDC	Nil	Nil
Investment in Waldron	Nil	Nil
investment in International innovations	Nil	Nil
investment in Calsoft Labs	Nil	Nil
Investment in Andora	Nil	Nil
Other investments	Nil	Nil
TOTAL	41,356,614	42,439,332

Schedules Forming Part of Consolidated Accounts for the Year Ended

(in Rupees)

SCHEDULE 7. SUNDRY DEBTORS	March 31, 2011	March 31, 2010
(unsecured and considered good)	Nil	Nil
Debts outstanding for a period exceeding six months	157,354,434	348,223,804
Other debts	231,448,016	250,258,432
Sub : Total	388,802,449	598,482,236
Less: Provision for doubtful debts	27,585,128	101,043,998
TOTAL	361,217,321	497,438,237
Notes :		
1. Due by Directors or other officers of the Company or any of them either severally or jointly with any other persons	Nil	Nil
2. Due by firms or private companies in which any of the Directors is a Partner or Director or a member	Nil	Nil
(i) Chemoil Corporation USA	5,961,577	17,612,456
(ii) Chemoil ITC (P) Ltd., Singapore	Nil	Nil
(iii) Itochu Petroleum Corpn. Singapore	Nil	Nil
(iv) Chemoil Euro BV	Nil	Nil
(v) IPC USA	1,131,945	4,157,100
(vi) Chemoil Middle East DMCC	Nil	Nil
(vii) Chemoil Latin America	173,121	174,330
(viii) California Advanced Management Services (P) Ltd, Chennai	Nil	Nil
(ix) American Healthnet Inc	217,245	141,436,879
(x) Chemoil Energy Limited	Nil	Nil
3. Due from Companies under the same management :	Nil	Nil
CSWL Inc. USA	Nil	Nil
American Health Net inc USA	Nil	Nil
4. Maximum amount due by Director or other officers of the Company at any time during the year	Nil	Nil
SCHEDULE 8. CASH AND BANK BALANCES		
Cash in hand	142,187	5,911
Bank balance with Banks in current A/c - India	36,291,928	46,171,922
Unpaid dividend Account	196,137	358,037
Bank balance with Banks in current A/c - Foreign Bank	72,638,126	161,818,689
Sub : Total	109,268,378	208,354,559
Balance in Deposit Accounts - India	4,205,741	14,267,596
Balance In Deposit Accounts - Foreign Banks	95,127,770	6,392,100
TOTAL	208,601,889	229,014,255
SCHEDULE 9. OTHER CURRENT ASSETS		
Unbilled Revenue	Nil	Nil
Interest Accrued on deposits	Nil	Nil
TOTAL	Nil	Nil

Schedules Forming Part of Consolidated Accounts for the Year Ended

(in Rupees)

	March 31, 2011	March 31, 2010
SCHEDULE 10. LOANS & ADVANCES		
(unsecured considered good)	Nil	Nil
Tax deducted at source	653,637	Nil
Advance Income tax and Tax deducted at Source	31,702,442	73,809,763
Pre paid Expenses	9,761,330	10,684,012
Rent deposits	1,270,409	16,840,150
Other deposit	11,126,342	2,999,767
Deferred Expense	Nil	Nil
Expense Receivable	Nil	Nil
Others	11,027,200	(100,266)
Notes Receivable	186,782,023	Nil
Advances recoverable in cash or in kind or for value to be received	167,306,367	322,721,304
Provision for doubtful Advances	(14,573,056)	(6,766,163)
Purchase Tax Control Account & VAT Liability - UK	Nil	Nil
Loans and Advances- employees	10,697,127	11,643,975
Deposits	11,249,995	Nil
	Nil	Nil
	Nil	Nil
	Nil	Nil
Total	427,003,814	431,832,543
Notes:		
i) Due by Director or other officer of the Company or any of them either severally or jointly with any other persons		
(ii) Due by firms or private Companies in which any Director is a partner or a Director or a member		
a) American Healthnet Inc	75,992,351	85,065,754
b) IPC (USA)	Nil	Nil
c) Andorra Sevice Ltd	Nil	32,000,954
(iii) Due from Companies under the same management		
(iv) Maximum amount due by Director or other officers of the Company at any time during the year		
SCHEDULE 11. CURRENT LIABILITIES		
Sundry creditors/Expenses payable	212,667,587	123,728,574
Deffered Revenue/Rent	15,551,307	36,181,847
Advance from customers / Rental Deposits	241,608,792	18,917,656
Current Account of directors- Subsidiary (TFL)	Nil	Nil
Other Liabilities	119,783,482	220,808,970
Unclaimed dividend *	365,527	358,037
* none of the amount disclosed is more than 7 years old as on the balance sheet date and all are unclaimed	Nil	Nil
	Nil	Nil
Total	589,976,696	399,995,084

Schedules Forming Part of Consolidated Accounts for the Year Ended

(in Rupees)

	March 31, 2011	March 31, 2010
SCHEDULE 12. PROVISIONS		
Proposed Dividend	Nil	24,731,662
Provision for Loss Due to Fire	Nil	Nil
Dividend Tax	Nil	4,203,146
Provision for Fringe Benefit Tax	(326,068)	1,652,098
Income Tax	Nil	Nil
Provision for taxes	Nil	155,195,302
Bonus	3,603,912	
Gratuity	120,037	588,660
Leave Salary	2,844,895	11,220,322
Total	6,242,776	197,591,190
SCHEDULE 13. SALES/ SERVICES RENDERED		
Export Sale - Offshore	23,781,072	Nil
Sale of Software	734,962,883	93,364,984
Currency Fluctuation	(158,531)	
Domestic Sales	23,433,952	37,618,664
Software Consulting Services	964,944,654	1,416,055,527
Sale of licenses	14,115,672	411,890,724
SmartPay Service charge	Nil	Nil
Annual Maintenance Contracts	12,314,249	15,607,970
Hardware & Other	Nil	Nil
Total	1,773,393,950	1,974,537,869
SCHEDULE 14. OTHER INCOME		
Interest Received	803,991	4,100,860
Profit on sale of asset	Nil	4,017
Discount Received	Nil	Nil
Commission Received	Nil	Nil
Bank Interest received	Nil	Nil
Gain on Sale of subsidiaries	Nil	Nil
Currency Fluctuation- Others	9,979,830	(6,686)
Miscellaneous / Other income	4,010,378	5,377,197
Rent Received	21,673,732	21,014,053
Total	36,467,931	30,489,441
SCHEDULE 15. PURCHASES AND RELATED EXPENSES		
Smart Pay Bank Charges / Discounts	4,569,323	Nil
Bought Out Items	16,772,024	918,863
Licence Fee	288,821,857	182,112,949
Consultancy fee	8,455,191	22,047,875
Software Charges	53,496,734	81,045,603
Purchases - Supplies	4,713,569	Nil
Total	376,828,698	286,125,290

Schedules Forming Part of Consolidated Accounts for the Year Ended

(in Rupees)

	March 31, 2011	March 31, 2010
SCHEDULE 16. SALARIES, WAGES & OTHER EMPLOYEE BENEFITS		
Salaries ,Allowances and Bonus	973,416,073	1,020,921,572
Cost of Sales-Subcontract - Related Parties	2,701,580	Nil
Cost of Sales-Subcontract - Others	171,572,284	169,689,783
Staff Welfare Expenses	26,185,975	36,498,916
Contribution to Provident and other funds	38,086,652	38,123,330
Others	3,418,406	Nil
Sub : Total	1,215,380,971	1,265,233,601
Less : Capitalised / Deferred	Nil	Nil
Total	1,215,380,971	1,265,233,601
SCHEDULE 17. GENERAL, ADMINISTRATIVE AND OTHER EXPENSES		
Office Expenses	5,041,573	7,696,177
Repairs & Maintenance	1,322,491	Nil
Buildings	2,543,439	5,109,850
Plant and Machinery	3,030,808	2,752,030
Others	7,700,294	4,784,812
Other Expenses	81,521	3,444,922
Rent	46,546,778	39,854,470
Electricity Charges	19,881,928	16,333,161
Postage And Telephone	9,557,105	14,805,612
Travelling Expenses	104,936,773	125,105,609
Audit fees	6,691,936	6,000,027
Data Circuit Expenses	10,510,968	14,409,208
Conference And Seminar	2,291,816	Nil
Recruitment And Training	1,486,647	4,724,897
Listing Fee	Nil	Nil
Service Charges	1,084,997	1,088,908
Lease Rent	506,595	1,083,424
Legal and Professional charges	31,383,580	20,923,537
Consultation And Certification Fee	Nil	Nil
Supplies	96,728	Nil
Insurance Expense	6,255,541	7,063,227
Filing Fee	768,780	Nil
Printing And Stationery	1,107,506	3,040,512
Rates and Taxes	5,200,672	4,773,755
Exchange difference (Net)	(40,883)	37,575,356
Donation	250	252,194
Hire Charges	581,478	425,255
Loss/(Profit on Sale) on Sale of Assets	(5,810,452)	404,214
Directors remuneration	Nil	45,000
Newspaper & Periodicals	499,322	Nil
Cleaning Expenses	Nil	Nil
Legal Fee	3,089,127	Nil
Provision for doubtful debts / Advances	126,685,221	(23,268,182)
Advertisement - Secretarial	Nil	Nil
Miscellaneous Expenditure Written off	144,232	Nil

Schedules Forming Part of Consolidated Accounts for the Year Ended

(in Rupees)

	March 31, 2011	March 31, 2010
Bad debts written off	(32,985,850)	Nil
Other Expenses	2,352,021	Nil
Sub : Total	362,542,945	298,427,974
Less : Capitalised / Deferred	Nil	Nil
Total	362,542,945	298,427,974

SCHEDULE 18. SELLING EXPENSES

Marketing Expenses	13,168,819	Nil
Commissions and Fees	20,181,920	12,367,117
Marketing Expenses	Nil	27,587,926
Royalty	Nil	Nil
Business Promotion	3,210,227	2,349,729
Advertisement	117,087	66,218
Total	36,678,052	42,370,990

SCHEDULE 19. INTEREST & FINANCE CHARGES

Finance Charges		
Bank charges	8,894,940	4,142,365
Interest on term loan	69,070,560	77,324,125
Interest on Working Capital Loan	18,320,771	32,626,470
Others	7,686,428	1,201
Interest on HP- Loan	2,008,257	1,085
Sub : Total	105,980,956	114,095,246
Less : Capitalised		
Total	105,980,956	114,095,246

Schedules to Consolidated Financial Statements

SCHEDULE 20

SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of Financial Statements

The consolidated financial statements consist of:

- California Software Company Ltd (parent company incorporated in India)
- CSWL Inc., incorporated in USA (100% Equity held by parent company) and its subsidiaries consisting of
 - ▶ Healthnet International Inc, USA (100% Equity held by CSWL Inc.) (HNI) and its 100% subsidiary International Innovations (Innovations)
 - ▶ CNHC, LLC DBA ePayhealthcare ("ePay"), in which CSWL, Inc. owns 51% of the outstanding voting stock
 - ▶ Waldron Limited a Corporation incorporated in Hongkong in which CSWL, Inc. owns 100% of outstanding voting stock
 - ▶ AspireSoft Corporation (Aspiresoft) in which CSWL Inc holds 100 % of the outstanding voting stock (P Y 51%).
- Inatech Infosolutions Private Limited, Bangalore (IPL) which became a fully owned subsidiary from 1 January 2008, its 100% subsidiary Inatech Solutions Limited, UK and sub subsidiary Inatech Solutions, Egypt in which Inatech Solutions Limited, UK hold 51% shares.
- EastPoint Solutions Ltd, Chennai incorporated in India (100% equity held by parent company) which is yet to commence operations.
- Aspire Communications Private limited (Aspire) incorporated in India, in which parent company acquired 100% equity (refer note no.) during the year (P Y 57.63%) and its 100% subsidiary Aspire peripherals Private Ltd, Mysore
- Calsoft Labs India Private Limited, Bangalore incorporated in India (100% equity held by parent company & its subsidiaries)
- Calspence Technologies Private Limited incorporated as a Joint Venture Company in Srilanka. Calsoft holds 50% of the equity share capital.

All these financial statements have been prepared under the historical cost convention and comply with accounting standards in all material respects.

The consolidated financial statements are prepared in accordance with the Principles and procedures for the preparation and presentation of consolidated financial statements as laid down under AS-21 prescribed by the Institute of Chartered Accountants of India. Consolidated financial statements are prepared using uniform accounting policies.

The financial statements of the parent Company and subsidiaries have been combined on line by line basis by adding together the book values of like items of assets, liabilities, income & expenses after eliminating intra group balances/transactions.

(in Rupees)

The amount of Goodwill and Capital reserve arising on consolidation are as follows:	2011	2010
Goodwill - CSWL Inc & subsidiaries, IPL and its subsidiary and Aspire Communications private limited and its subsidiary	469,775,651	445,296,272
The amount of Minority Interest arising on consolidation of		
i. IDC		
ii. Waldron Ltd and Aspire soft (all subsidiaries of CSWL Inc.) and	(22,598,993)	20,228,988
iii. Aspire		
Extraordinary items / Prior period items:		
Profit on sale of Informed decisions Corporation	Nil	428,095,128
Prior period profit Aspire Communications Private limited	Nil	8,75,195

(in Rupees)

	2011	2010
Prior period expenditure in Inatech Infosolutions Private Limited	Nil	836,894
Prior period expenditure in Calspence Technologies Private Limited	301,090	Nil

2. Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses and disclosure of contingent liabilities as of the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon the management's evaluations of the relevant facts and circumstances as of the date of the financial statements. Actual results could differ from these estimates.

3. Revenue Recognition

California Software Company Limited

Revenue from software development is recognised based on software developed and billed to clients as per the terms of specific contracts. Revenue from consultancy services is recognised when the services have been provided to the customer. Revenue from the sale of software products is recognised when the sale is completed with the passing of title. Revenue from maintenance services is accrued over the period of the contract.

CSWL Inc

The company generates revenue from the following primary sources: custom software and application development (contract consulting), licensing software products, installation and training services, electronic payment processing solutions, sale of hardware and third party software and providing customers long term technical support.

The company recognizes revenue when all of the following conditions are met: (i). persuasive evidence of an arrangement between the company and the customer exists, (ii) the service has been provided to the customer, (iii) Price to the customer is fixed and determinable and (iv) collection of the revenues is probable. The company's arrangements do not contain general rights of return and refund privileges. Revenue from contract consulting is recognized when the services have been provided to the customer. Revenue from sale of hardware and third party software is recognized as expenses incurred in conjunction with customer contracts. Revenue from annual software licenses, subscriptions and software maintenance and support contracts is recorded as earned over the life of the contract. Revenue from ePAY is recognized monthly and reflects the service charge on the items paid by customers using the service.

Deferred revenue includes amounts currently due and payable from and payments received from customers for various expenses for services and amounts deferred if other conditions to revenue recognition is not met. Deferred revenue that is expected to be earned in the next twelve months is reflected as current liability.

Software revenue from software license agreements is recognized when collection is probable and the product is shipped.

Inatech Infosolutions Private Limited

The revenue from software development on a time and material basis is recognised based on software developed and billed to clients as per specific contracts. In the case of fixed price contract revenue is recognised based on milestones achieved as specified in the contracts on percentage of completion basis. Revenue from sale of software products is recognised when the sale is complete with passing of title.

Aspire Communications Private Limited

Revenue from Software and Hardware Development is recognized as per the percentage of completion method as per the terms of specific contracts. On-time and materials contracts, the revenue are recognized as the related services are rendered. Interest is recognized using the time-proportion method, based on rates implicit in the transaction.

Calsoft Labs (India) Private Limited

The Company was formed to acquire the Outsourced product development business of California Software Co Ltd, Chennai & Aspire Communications Private Limited, Mysore. The employees of these divisions were transferred to Calsoft Labs (India) Pvt Ltd, with effect from 28-02-2011 and the fixed Assets were transferred with effect from 17-02-2011. The resultant employee cost and depreciation for the broken period was accounted in the company and was in turn invoiced to back to California Software Co Ltd, Chennai & Aspire Communications Private Limited, Mysore so as to match the revenues generated by these assets and employees were accrued in these companies. Entire incorporation expenses & professional charges including audit fee upto 31-03-2011 was met by parent company as part of its investment cost.

4. Expenditure

Expenses are accounted on the accrual basis and provisions are made for all known losses and liabilities.

5. Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. Cost includes direct costs and financing costs related to borrowing attributable to qualifying assets

6. Impairment

Consideration is given at each Balance Sheet date to determine whether there is any modification or impairment of the carrying amount of the fixed assets. If any condition exists, an asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of any asset exceeds recoverable amount.

7. Depreciation & Amortization

The parent Company and its Subsidiaries are charging depreciation under straight line method

8. Leases

In the case of assets taken under operating lease, the rentals are charged to profit and loss account when due.

9. Inventories

As of 31st March 2011, none of the group companies were holding inventory. Previous Aspire communications P Ltd was having 49,000 units (Fifty thousand units) of Adobe Flashlite Software Licenses as closing stock. The same is stated at direct cost or estimated net realizable value whichever is lower.

10. Investments

Long term investments are stated at cost with provisions where necessary, for diminution other than temporary, in the value of investment.

11. Foreign Currency Transactions

Foreign currency transactions including expenses incurred on Trading / Non Trading Overseas offices and revenue accounts of onsite offices are accounted at the exchange rates ruling on the date of transaction. At the year end all monetary assets and liabilities denominated in foreign currency other than investments are restated at the closing exchange rates. Exchange differences arising out of actual payments / realizations and from the year end restatement referred to above are reckoned in the profit and loss account.

Translation of Financial Statements of the Overseas Subsidiaries denominated in US dollar to Indian rupee.

i) For the purpose of consolidation, the operation of overseas subsidiaries are considered non integral in nature and on the basis of AS- 9 prescribed by the Institute of Chartered Accountants of India, during the current financial year with effect from 1 April 2005, their assets and liabilities are translated at the year-end exchange rate. The resultant translation adjustment is reflected as a separate component of Shareholders funds as 'Cumulative Translation Reserve'. Only in case of disposal and dissolution of Non Indian Subsidiaries the balance in Currency Translation reserve in relation to the subsidiary will stand transferred to Profit and Loss Account. Income and expenditure are accounted in the consolidated Profit and Loss Account of each year as given below:

- a) Revenues and expenses are converted into Indian Currency at the average rate prevailing during the year.
- b) Depreciation on Fixed Assets is converted at the average rate prevailing during the year.

12. Employee Benefits

California Software Company Limited

a. Short Term

Short term Employee Benefits are recognised as expenses as per the company's scheme based on the expected obligation

b. Long Term

Liability in respect of long term Employee Benefits in the nature of accumulated compensated absence is provided for based on actuarial valuation using projected unit credit method.

c. Post Retirement

i) Provident fund

This is a defined contribution plan and contributions made to the fund, in accordance with the applicable rules/statutes are charged to revenue. The Company has no further obligation for future provident fund benefits other than aforesaid contributions.

ii) Superannuation

This is a defined contribution plan. The Company contributes a sum equivalent to 15% of eligible employee's salary towards superannuation fund administered by Life Insurance Corporation of India and are charged to profit and loss account.

iii) Gratuity

This is a defined benefit plan. The Company has subscribed to California Software Company Employees' Group Gratuity Scheme, which is being administered by a Trust set up for this purpose under the aegis of the Life Insurance Corporation of India (LIC). Liabilities with regard to the Gratuity payable to the employees are determined by actuarial valuation using projected unit credit method, based upon which, the Company makes contribution to the Trust. The funds contributed to the Trust are remitted to the LIC. Actuarial gains and losses comprising of experience adjustments and the effects of changes in actuarial assumptions are recognised immediately in the profit and loss account as income or expense.

CSWL Inc, USA

Effective from 1st January 1999, the subsidiary Company adopted a qualified 401 (k) deferred compensation plan. All employees are eligible to participate in the plan. The plan provides for matching discretionary non-elective contributions as management may determine. No matching contributions were made in fiscal year 2008

Inatech Infosolutions Private Limited

Liabilities towards Gratuity and leave encashment to the extent applicable to Inatech Infosolutions Pvt Limited India are provided as per actuarial valuation. Provident Fund Contributions and Social Security Contributions are paid to the respective statutory authorities.

Aspire Communications Private Limited

(a) Gratuity

The employees are entitled for to gratuity in accordance with the provisions of the Payment of Gratuity Act, 1972. The formation of the Aspire Communications Employees Group Gratuity Scheme is being initiated, which is being administrated by a Trust (under formation) under the guidance of the LIC of India. Liabilities with regard to the Gratuity plan are determined by actuarial valuation, based upon that, the contribution to the LIC is paid during the year.

(b) Provident Fund.

Employees who are voluntarily opted for the PF are subscribers to the Employees' Provident Fund to which both the Company and Employees make monthly contributions equal to the statutory percentage in the case of the parent company.

13. Taxation

California Software Company Limited

Provision for current tax is made based on the liability computed in accordance with the relevant tax rates and tax laws. Provision for deferred tax is made for timing differences arising between the taxable income and accounting income computed at current applicable tax rates. Deferred tax assets are recognised only if there is a virtual certainty that they will be realised in the foreseeable future and are reviewed for the appropriateness of their carrying value at each balance sheet date.

CSWL Inc

Deferred income tax assets and liabilities are computed annually for differences between the financial statement and tax basis of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and statutory rates applicable to respective periods in which the differences are expected to affect the taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

Inatech Infosolutions Private Limited

Provision for current tax and is made based on the liability computed in accordance with the relevant tax rates and tax laws.

Deferred tax assets and liabilities are recognized for future tax consequences attributable to the timing differences that result between the profits offered for income tax and the profit as per the financial statements. Deferred tax assets and liabilities are measured as per tax rates/laws that have been enacted or substantively enacted by the Balance Sheet date and are reviewed for appropriateness of their respective carrying values at each Balance Sheet date. Deferred tax asset is recognized wherever prudent. Deferred tax liabilities and assets, which reverse within the tax holiday period, are ignored

Aspire Communications Private Limited

Provision for current tax and fringe benefits tax is made based on the liability computed in accordance with the relevant tax rates and tax laws. Deferred Tax has been recognized for all timing difference in Depreciation, amortization and carry forward losses, subject to consideration of prudence in respect of deferred tax liability and deferred tax asset.

SCHEDULE 21

NOTES ON ACCOUNTS

(In Rupees)

	March 31, 2011	March 31, 2010
1. Capital Commitments:		
California Software company Limited		
Estimated amount of contracts remaining to be executed on capital account and not Provided for (Net of advances)	Nil	Nil

(In Rupees)

	March 31, 2011	March 31, 2010
2. Contingent Liabilities :		
California Software company Limited		
a. Guarantees given on behalf of other companies	205,090,000	205,090,000
b. Claims against the company not acknowledged as debt in		
i. Income Tax	504,30,003	14,901,556
ii Sales Tax / VAT	648,228	
iii Service Tax	852,310	
Inatech Infosolutions P Ltd		
a. Outstanding counter guarantees to Bankers - Rs. 13,75,000 (Rs.175,000)		
b. Dividend payable on Preference shares (including tax thereon) - Rs.1,930 (Rs. Nil).		
c. Disputed Taxes:		
i. The Income Tax authorities had raised a demand of Rs. 18.57 lacs in respect of year ended 31st March 2004 due to denial of exemption U/s. 10A of Income Tax Act 1961, (the Act) on certain grounds including that the company has commenced operations before registration with STPI Authorities. The Company had disputed the demand and preferred an appeal. The Honourable Income Tax Appellate Tribunal, Bangalore has passed orders granting relief under Section 10A but have also referred some matters to the Assessing Officer for re-examination. The Company is awaiting fresh orders from the Assessing Officer.		
ii. Deduction U/s. 10A of the act 1961 has been allowed for the year ended 31st March 2005. However loss of the unit not eligible for deduction U/s. 10A of the Act has been set-off against the profits of the unit eligible for the deduction U/s. 10A and certain other disallowances have been made in the assessment. The Company had disputed the demand and had preferred appeals. The Honourable Income Tax Appellate Tribunal, Bangalore has passed orders giving relief and have also referred re-examination of certain facts to the Assessing Officer. The Company is awaiting fresh orders from the Assessing Officer.		
iii. The Company has been advised by its Counsel that the demands and adjustments/disallowances are not sustainable and consequently no provision has been made for the same or for current income tax due to these demands / disallowances. A payment of Rs. 10 lacs has been made for the year ended 31st March 2004 and no further payments are likely till the completion of proceedings and considering relief given by Appellate Authorities.		

(In Rupees)

	March 31, 2011	March 31, 2010
iv. The Income Tax authorities had raised a demand of Rs. 13.50 lacs in respect of year ended 31st March 2007 due to reduction of exemption amount U/s. 10A of the act on certain grounds including deduction of communication and travel expenses from the export turnover. The Company has disputed the demand and preferred an appeal with the CIT (Appeals) paying Rs. 5 lacs as advance. The Commissioner of Income Tax Appeals has passed orders giving partial relief. The Company is likely to prefer second appeal before the Honourable Income Tax Appellate Tribunal, Bangalore. However, the Company does not expect any further tax payment to be made in this respect.		
v. The Company has received a demand of Rs.1,614,710/- towards Income Tax and Fringe Benefit Tax in respect of the year ended March 31, 2009. The demand under Section 143(1) of the Act is due to credit for tax paid not given properly and not due to any disallowances. The Company has filed rectification application for withdrawal of demand. Consequently, no cash outflow is expected in this respect.		

3. Other Financial Information:**California Software company Limited**

3.1 Outstanding Bank Guarantees	19,34,509	2,514,717
3.2 Reimbursement of travel expenses to Directors	1,052,732	1,187,081
3.3 Amount due to be credited to Investor Education and Protection Fund	87,765	248,275
3.4 Sitting fees paid / payable to Directors	55,000	40,000
3.5 Capital Work in Progress includes the following Advances given – (Considered good and recoverable)		Nil
3.6 The Company's investments in subsidiaries are considered as long term and strategic in nature except investment in Calsoft Labs (India) Private limited. Accordingly, the excess of the carrying value over the net book value of the investments is considered as temporary diminution and hence no provision for the decline in value has been considered in these accounts.		
3.7 Debtors include Rs. .47,517,389 due from Inatech Solutions Limited UK, and out of that Rs.44,854,616 has been provided for as doubtful debts		
3.8 Rent receivable amounting to Rs 2,49,60,471 from Roxanne Research Private Ltd has been shown under Loans and Advances, Rs.1,28,60,448 has been provided as doubtful ren and the company is contemplating initiating legal proceeding against Roxanne Research Pvt Ltd for the default.		
3.9 Except in respect of the following there are no statutory dues of Customs Duty, Excise Duty, Cess, Wealth Tax and Income Tax, which have not been deposited on account of a dispute		

S. No	Name of the Statute	Nature of the dues	Amount Rs.	Forum where dispute is pending
1.	Income Tax Act, 1961	Income Tax (A.yr 1997-98)	11,27,394	Assessing Officer
2.	Income Tax Act, 1961	Income Tax (A.yr 2000-01)	22,84,617	Assessing Officer
3.	Income Tax Act, 1961	Income Tax (A.yr 2001-02)	1,5,24,090	Madras High Court
4.	Income Tax Act, 1961	Income Tax (A.yr 2002-03)	33,56,300	Madras High Court
5.	Income Tax Act, 1961	Income Tax (A.yr 2003-04)	12,42,460	Madras High Court
6.	Income Tax Act, 1961	Income Tax (A.yr 2004-05)	56,76,083	Madras High Court
7.	Income Tax Act, 1961	Income Tax (A.yr 2005-06)	10,10,516	Madras High Court
8.	Income Tax Act, 1961	Income Tax (A.yr 2006-07)	22,08,543	Commissioner Appeals
9.	Income Tax Act, 1961	Income Tax (A.yr 2007-08)	320,00,000	DRP
		Total IT demand	504,30,003	
	Sales Tax, VAT	Sales Tax 2004-05	6,48,228	Appellate Tribunal
	Service Tax	Service Tax 2010-11	8,52,310	Addl Commissioner

CSWL

During the year ended March 31, 2009 the Company entered into a joint product development agreement with one of its customers. Under the terms of the agreement, the Company and its customer will jointly develop certain software products to be marketed and sold by the customer. The Company agreed to defer payment for its charges during the year ended March 31, 2009, in exchange for sharing a certain percentage of future revenues derived from sales of the products. In future years the Company will be able to recover its charges as well as a portion of the costs deferred in 2009. During the year ended March 31, 2009 the Company incurred \$1,099,063 in costs associated with this agreement, which has been included as deferred expenses in the accompanying financial statements. The Company amortizes these costs over a four year period beginning July 1, 2010. The balance of deferred expense, as of March 31, 2011, is \$613,711.(Rs.27,242,631)

Inatech Infosolutions P Ltd

- Loans and advances include refund claim of Service tax amounting to Rs 40.37 lakhs (Rs.19.21 lakhs) including Rs 19.21 lakhs (Rs.5.67 lakhs) pertaining to earlier years representing credit set off on input services pertaining to exports. However, the refund claim of only Rs. 51,998/- has been entertained by the Service Tax Department. Consequently the Company has preferred an Appeal with Customs Excise & Gold (Control) Appellate Tribunal. As advised by its counsel, the Company is confident of the recovering the same and consequently no provision is found necessary
- Sundry Debtors other than from the subsidiary and holding company and Sundry Creditors are subject to confirmation of balances. According to the management effect on revenue due to the above is not likely to be material.
- Certificates of income tax deducted at source for the year are awaited to an extent of Rs.6,72,623/-(Rs.993,994/-) from certain parties. Consequently the corresponding accounts are under reconciliation. According to the company the ongoing reconciliation will not materially affect the operating results of the company.

4. Intangible Asset

California Software company Limited

Intangible asset- Product solutions represent cost of Product development and no additions during the year in respect of the following products:

1. Test Automation Framework (TAF)
2. Virtual IO
3. Diameter
4. Networking File System (NSF) and
5. Bunkering operations Management systems (BOMS)

The future projection in respect of the above products has been estimated by the technical department, although the existence of a market for these products is yet to be developed. However the product solutions are being amortized over a period of 5 years starting Financial Year 2008-09.

CSWL Inc

The Company capitalizes the direct costs and allocated overhead associated with internally developed software products. Initial costs incurred are charged to operations as research and development prior to the product reaching technological feasibility whereby a detailed program design or a working model must be in place. Capitalization of these costs ceases once a product is available for general release to customers. Costs incurred subsequent to the product release, and research and development performed under contract are charged to operations.

Capitalized costs are amortized on the straight-line method over the estimated product life, which ranges from five to six years. Unamortized costs are carried at the lower of book value or net realizable value.

The Company contracts with Calsoft to develop software that will be licensed to customers. Certain fees paid to Calsoft to develop software are included in proprietary software.

Aspire Communications P Ltd

The Product Development Expenditure incurred by the parent company during the previous years is regrouped under Intangible assets during the financial year 2007-08 and is being amortized in a period of 5 years, beginning from F.Y.2007-08.

5. Transfer Pricing

The study of international transactions entered into by the Company with its overseas associates regarding the extent of compliance to the transfer pricing regulations of the Income Tax Act, 1961 is yet to be completed and the impact, if any, arising out of such study has not been recognised in these accounts pending completion of the study

6. Deferred taxation

The details of deferred tax Liability is as under:

California Software Company Limited

As at the year end company has a deferred tax asset of Rs.58,476,000 (Previous year Company had a deferred tax liability of Rs 41,529,352). The movement is mainly on account of transfer of major part of assets to a different company and also due to the carry forward loss at the end of the year.

CSWL Inc and its subsidiaries have a net Deferred Tax Liability of Asset of Rs. 21825742/-

Inatech InfoSolutions Limited, India

The details of deferred tax Liability is as under:

On account of:	Amount in Rs.	
	2010-11	2009-10
Depreciation on Fixed Asset	(163,031)	(431,053)
Deferred Tax Liability / (Asset)	(163,031)	(431,053)

Aspire Communication Private Limited

During the year net deferred tax liability of Rs.2,41,786/- has been reversed due to transfer of all assets and write off of preliminary. The breakup of deferred tax reversal is given hereunder:

	Deferred tax (asset) / liability as on 01.04.2010	Current year charge / (Credit)	Deferred tax (asset) / liability as on 31.03.2011
Difference between written down value as per books and as per IT Act	237,794	(237,794)	Nil
Difference in Preliminary Expense	3,992	(3,992)	Nil
Total	241,786	(241786)	Nil

Aspire Peripherals Private Limited

During the year net deferred tax asset of Rs.75,357/- (P.Y. Rs.427,430/-) arising from timing differences (mainly on account of depreciation and carry forward losses) The breakup of deferred tax asset is given hereunder:

	Deferred tax (Asset) / liability as on 31.03.2011
Difference between book depreciation and tax depreciation	5,89,835
Difference in Preliminary Expenses	299
Carry forward business losses	(514,778)
Total	75,357

7. Quantitative Details

As all the companies in the group is engaged in the development and export of computer software, the production and sale of which cannot be expressed in any generic unit, the quantitative details etc., as required under the Companies Act, 1956 are not furnished except in the case of Aspire Communications P Ltd as detailed below

Quantitative Particulars:

	March 31, 2011	March 31, 2010
Printed Circuit Boards		
Opening Stock	Nil	Nil
Purchases	Nil	Nil
Sales	Nil	Nil
Closing Stock	Nil	Nil
MMF Cash Drawer Boards		
Opening Stock	Nil	Nil
Purchases	1600	1200
Sales	1600	1200
Closing Stock	Nil	Nil
Adobe Flashlite SW Licences		
Opening Stock	49000	50000
Purchases	Nil	Nil
Sales	49000	1000
Closing Stock	Nil	49,000

8. Auditors' Remuneration

	March 31, 2011	March 31, 2010
Statutory Audit	5,826,649	5,193,915
Tax Audit	150,000	150,000
Certification	5,75,000	533,700
Out of Pocket expenses	1,40,287	122,412
Others	Nil	Nil
Total	6,691,936	6,000,027

9. As at March 31, 2011 there is no interest payable to Micro and Small Enterprises as defined under the Micro Small and Medium Enterprises Development Act, 2006. This information and that disclosed under schedule 11 have been determined to the extent such parties have been identified on the basis of information available with the Company.

	March 31, 2011	March 31, 2010
	Rs.	Rs.
10. Value of Imports on CIF basis		
Calsoft Capital Goods	Nil	Nil
Aspire Communications Private Limited	29,64,000	598,625
11. Dividend remitted in Foreign Currency		
Years	2011	2010
Number of Non resident shareholders	74	4
Dividend remitted during the year Rs.	18675202	81,631
Number of shares	9337601	81,631

12. Acquisitions & Disinvestment

California Software Company Ltd

a) Further investment in Aspire Communications Private Limited

At the beginning of current year company had 57.63% of the equity share capital of Aspire Communications Private Limited, Mysore (Aspire). This was diluted to 51% when Aspire offered ESOPS to its employees for Rs.23,00,000/- which was fully subscribed. As on 18-01-2011 California Software Co Ltd (Calsoft) and outside shareholders of Aspire entered into a Share Purchase Agreement (SPA) as per which, Calsoft was to acquire balance 49% in Aspire from the outside shareholders. Total consideration is Rs.226,45,228/- payable various dates till 31-12-2011. As at the year end Calsoft has paid Rs. 85,85,820/-, and balance outstanding payable to outside shareholders of Aspire is Rs. 140,59,408/-. Though physical transfer of shares is yet to take place, the date of SPA is reckoned as the date of acquisition.

b) Investment In Calsoft Labs India Private Limited

Calsoft promoted a new company named Calsoft Labs India private Limited. Entire OPD assets of Calsoft amounting to Rs. 53674642/- and all the employees of this segment has been transferred to the newly formed company against the issue of its equity shares. Total investment in the new company as at the year end was Rs. 548,53,561/-. Incorporation and related expenses has been included in the investment cost. As at the year end Calsoft and its subsidiaries Aspire Communications Private Limited and Aspire Peripherals Private Limited holds hundred percent of the equity shares in the new company.

c) Investment in Joint Venture Calspence Technologies Private Limited

Company has made 50% investment in a Joint Venture with AITKEN SPENCE PLC, Srilanka to promote a company named Calspence Technologies Private Limited in Srilanka. As initial investment company has paid an amount of Rs.794062/- against issue of 188753 equity shares @ of Srilankan Rs. 10/- each.

CSWL Inc

Effective January 18th 2011, the company acquired remaining 49 % of the outstanding voting Stock of Aspiresoft, Therefore increasing ownership to 100% of Aspiresoft. The agreed purchase price was \$ 781648 amounted to Rs 34,697,355.

13. Events Occurring after balance sheet date - Sale of Outsourced Product Development (OPD) Division

On April 14, 2011, Group companies, entered into a Master Agreement with ALTEN EUROPE, SARL, France to sell its entire OPD business. On January 25, 2011, the subsidiary CSWL Inc has received an advance payment from Alton in consideration of pending sale of \$5,000,000. This transaction has been recorded as a deposit liability in the financial statements. The further consideration US \$ 5 million (Rs. 22.19 crores) has been received in April. The sale was not finalized until 31st march 2011 and therefore has not been reflected in the accompanying financial statements.

In addition to the above, the subsidiary CSWL Inc is entitled to receive Purchase Price Adjustment and Earn-Out Payment as given below:

Purchase Price Adjustment.

The Buyer shall pay and CSWL shall be entitled to receive, an upward PPA payable in cash based on the following formula: 4.4 x EBIT FYE 2011 less the Purchase Price, which is payable within thirty (30) days, and in no event later than December 31, 2011

Earn-Out Payment.

The Buyer shall pay to CSWL an Earn-out Payment as additional consideration based on the performance of the OPD Business and the Indian Newco and the US Newco, subject to the terms and conditions of this Section 3.5. Such Earn-out Payment shall be calculated as set forth below and is payable within thirty (30) days, and in no event later than December 31, 2012 (the "Earn-Out Payment Date"), following the receipt of the items set forth below:

$$\text{Earn-out Payment} = 4.4 \times [(\text{EBIT FYE 2011} \times 0.2) + (\text{EBIT FYE 2012} \times 0.8)] - \text{Purchase Price} - \text{PPA}$$

14. Segment Reporting

14.1. The Company's operations predominantly relate to providing development of software to customers globally operating in various industry segments. Accordingly, software product and development revenues along industry classes comprise the primary basis of segmental information set out in these financial statements. The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Revenue and expenses have been identified to segments on the basis of the above primary segment information viz industry segments. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to the segments on a reasonable basis, have been included under unallocable corporate income/ expenses.

The Industry segments of the Company consist of: Technology Solutions (TS), Enterprise Solutions (ES), Infrastructure Management Services (IMS), and strategic Investments (SI)

14.2 Primary Segment		(Rs. in Lakhs)						
Particulars		TS	ES	IMS	SI	Inter Company	Unallocated	Total
1.Segment Revenue	CY	11376.23	6312.63	504.35	202.65	661.93	0	17733.94
	PY	7889.51	10813.07	586.87	1074.43	618.5	0	19745.38
Less: Inter Segment Revenue		0	0	0	0	0	0	Nil
		0	0	0	0	0	0	(Nil)
Net Sales/ Income from Operations	CY	11376.23	6312.63	504.35	202.65	661.93	0.00	17733.94
	PY	7889.51	10813.07	586.87	1074.43	618.5	0	19745.38
2.Segment Results	CY	769.25	-1942.85	-78.59	-1756.68	0.00		-3008.86
	PY	1325.12	-869.28	-38.45	-648.26	0	0	-230.87
Less:1.Interest & Finance Charges	CY	0	0	0	0	0	1059.8	1059.80
	PY	0	0	0	0	0	1140.95	1140.95
2.Other Un-allocable Expenditure,								
Net of Un-allocable Income	CY	0	0	0	0	0	-364.67	-364.67
	PY	0	0	0	0	0	-304.89	-304.89
Profit before Tax	CY	769.25	-1942.85	-78.59	-1756.68	0.00	-695.13	-3703.99
	PY	1325.12	-869.28	-38.45	-648.26	0	-836.06	-1066.93

The company believes that it is currently not practicable to provide segment disclosures to total assets and liabilities since a meaningful segregation of available data is onerous.

15. Disclosure under AS 15 revised on Employee benefits

15.1 California Software Company Limited

Gratuity

Particulars	Amount in Rs	
	2010 -11	2009 -10
a) Changes in present value of benefit obligation		
Projected value obligation as at beginning of the year	12,392,964	12,029,672
Current service cost	3,403,022	37,64,404
Interest cost	991,437	962,374
Actuarial loss/(gain)	(9,866,639)	(37,16,380)
Benefits paid	(3,431,180)	(647,106)
Projected value of obligation as at end of the year	3,489,604	12,392,964
b) Changes in fair value of Plan Assets		
Fair value of the plan assets	6,384,676	6,461,192
Expected return on plan assets	525,194	570,590
Contributions	1,291,446	0
Benefits paid	(3,431,180)	(647,106)
Actuarial gain on plan assets	Nil	Nil
Fair value of plan assets at the end of the year	4,770,136	6,384,676
c) Amounts recognised in the balance sheet		
Projected value of obligation at the end of the year	3,489,604	12,392,964
Fair value of plan assets at end of the year	4,770,136	6,384,676
Funded status of the plans – (asset)/ liability	1,280,532	6,008,288
d) Cost for the year		
Current service cost	3,403,022	3,764,404
Interest cost	991,437	962,374
Expected return on plan assets	(525,194)	(570,590)
Net actuarial (gain)/loss recognised in the year	(9,866,639)	(3,716,380)
Past Service Cost	4,716,842	5,568,480
Contributions	0	0
Net cost	(1280532)	6,008,288

	Amount in Rs	
	2010 -11	2009 -10
e) Principal actuarial assumptions		
Discount rate	8%	8%
Estimated rate of return on plan assets	8%	8%
Expected rate of salary increases	8%	5%
Any other material actuarial assumptions-Attrition	1-3%	1-3%
16.2 Leave Encashment:		
Obligations at period beginning	10,381,452	7,341,134
Service Cost	5,780,243	9,862,345
Interest on Defined benefit obligation	196,051	253,649
Benefits settled	(14,227,856)	(8,341,038)
Actuarial (gain)/loss	(350,967)	1,265,362
Past Service Cost	0	0
Obligations at period end	1,778,923	10,381,452
Long Term - PBO - Actuarial	1,641,455	9,557,574
Short Term - Compensated absence - Actual	137,468	823,878
	1,778,923	10,381,452
Principal actuarial assumptions		
Discount rate	8%	8%
Expected rate of salary increases	5%	5%
Attrition rate	1-2-3%	1-3%

15.2 Inatech InfoSolutions P Ltd

(a) Contribution to Defined Contribution Plan

Particulars	Current Year	Previous year
Contribution to Provident Fund	3,355,655	3,012,733

(b) The details of defined benefit plans are as under:

The amounts recognized in the income statement are determined as follows.

Particulars	Gratuity (Funded)		Leave (unfunded)	
	Current Year	Previous year	Current year	Previous year
Current Service Cost	423,167	627,403	204,357	106,435
Interest Cost	133,813	50,192	67,110	65,586
Expected return on plan assets	(174,780)	(118,428)	Nil	Nil
Actuarial gain/loss	79,162	(285,346)	(18,069)	(51,076)
Total gratuity/Leave costs	461,362	273,821	253,398	120,945
Actual return on plan assets Gain/(Loss)	174,780	118,428	Nil	Nil
Present value of defined benefit pension obligations funded by plan assets.				
Particulars	Gratuity		Leave	
	Current Year	Previous year	Current year	Previous year
Defined benefit pension obligations	1,932,839	2,048,619		
Fair value of plan assets	1,812,802	1,459,959		
Unrecognized actuarial(gains)/losses	Nil	Nil		
Unrecognized past service cost	Nil	Nil		
Net defined benefit pension plan assets/(liability)	(120,037)	(588,660)		
Movement in the present value of the defined benefit Gratuity and Leave obligations.				
Particulars	Gratuity (Funded)		Leave (unfunded)	
	Current Year	Previous year	Current year	Previous year
Obligations at period beginning	2,048,619	1,656,370	838,870	921,737
Service Cost	423,167	627,403	204,357	106,435
Interest Cost	133,813	50,192	67,110	65,586
Benefits settled	Nil	Nil	Nil	(203,812)
Actuarial (gain)/loss	79,162	(285,346)	(18,069)	(51,076)
Settlements	(751,922)	Nil	Nil	Nil
Obligations at period end	1,932,839	2,048,619	1,092,268	838,870
The movement in fair value of plan assets during the financial year				
Particulars	Gratuity		Leave	
	Current Year	Previous year	Current year	Previous year
Beginning of the financial year		1,459,959		1,001,148
Balance correction – actual return		Nil		22,410
Expected return on plan assets (estimated)		174,780		118,428
Actuarial (gain)/Loss		Nil		Nil
Administration Cost		Nil		Nil
Pension Contributions		929,985		312,088
Equitable Interest Transfer		Nil		5,885
Settlements		(751,922)		Nil
End of the financial year		1,812,802		1,459,959
Actual Return on Plan Assets		174,780		118,428
The principal actuarial assumptions used are as follows.				
Particulars	Gratuity (%)		Leave (%)	
	Current Year	Previous year	Current year	Previous year
Weighted average discount rate	8	8	8	8
Expected return on plan assets	8	8	0	0
Salary escalation rate	5	5	6	5

(c) Provision Movement for the year

Particulars	Balance Brought	Forward Additions During the Year	Withdrawn/ Payment Made	Balance Carried Forward
	Provision for Bonus	5,113,011 (3,282,974)	919,142 (5,299,720)	2,428,241 (3,469,683)

Figures in brackets indicate previous year's figures.

15.3 Aspire Communications P Ltd & Aspire Peripherals P Ltd**1. Aspire Communication Private Limited**

March 31, 2011

a. Particulars	Amount (Rs.)
Changes in Present value of obligations	
Obligations at period beginning	565707
Service cost	139735
Interest on Defined Benefit Obligation	42257
Benefits settled	(184615)
Actuarial (Gain) / loss	102401
Obligations at period end	668485
Change in plan assets	
Plan assets at period beginning, at fair value	807994
Expected return on plan assets	73828
Actuarial (Gain) / loss	Nil
Contributions	(184615)
Plan Assets at period end, at fair value	811841

Closing Value of Obligations / Assets	
Present value of obligations	668485
Fair value of plan assets	811841
Funded Status	143356
Unrecognized actuarial (gains) / Losses	Nil
Net Asset / (Liability)	143356

Expenses Recognized	
Service Cost	139735
Interest cost	45257
Expected Return on Plan Assets	(73828)
Actuarial (gain) / Loss	102401
Net gratuity cost	213565

Assumptions	
Discount Factor	8%
Salary Escalation	4%

2. Aspire Peripherals Private Limited

Particulars	
Changes in Present value of obligations	
Obligations at period beginning	34014
Service cost	8987
Interest on Defined Benefit Obligation	2721
Benefits settled	(79615)
Actuarial (Gain) / loss	110547
Obligations at period end	76654

Particulars	March 31, 2011
	Amount (Rs.)
Change in plan assets	
Plan assets at period beginning, at fair value	95480
Expected return on plan assets	6360
Actuarial (Gain) / loss	Nil
Contributions	59
Benefits settled	(79615)
Plan Assets at period end, at fair value	22284
Closing Value of Obligations / Assets	
Present value of obligations	76654
Fair value of plan assets	22284
Funded Status	(54370)
Unrecognized actuarial (gains) / Losses	Nil
Net Asset / (Liability)	(54370)
Expenses Recognized	
Service Cost	8987
Interest cost	2721
Expected Return on Plan Assets	(6360)
Actuarial (gain) / Loss	110547
Net gratuity cost	115895
Assumptions	
Discount Factor	8%
Salary Escalation	7%

16. Obligations on long-term, non-cancelable operating Leases

The lease rentals charged for the year ended March 31,2010/ 2009 and maximum obligations on long-term, non-cancelable operating leases payable as per the rentals stated in the respective agreements are as follows :

(In Rupees)

	March 31, 2011	March 31, 2010
Lease rentals recognized during the year	Nil	678514
Lease Obligations	Nil	Nil
Within one year of the balance sheet date	Nil	Nil
Due in a period between one and five years	Nil	Nil

In CSWL and its subsidiaries capital lease obligations

The Company has entered into various leases for office space, temporary living quarters, office equipment and vehicles used by the Company. Certain leases, which are long-term, non-cancelable and contain rent escalation clauses, expire through 2012 and are accounted for as operating leases. Rental expense under all leases, including property taxes, amounted to Rs. 10,948,039(\$246,633) for the year Future minimum rental payments under these leases as of March 31, 2011, are as follows:

Year ending March 31,	Rs.
2012	2,862,045
2013	Nil
2014	Nil
Total minimum future lease payments	2,862,045

a) The company has renewable operating leases for office facilities that are cancelable at its option. Rental expenses thereof charged to the profit and loss account is Rs.11,768,576/- (Rs. 3,126,704/-).

Future Obligations of lease rentals for the non cancellable period under respective lease agreement aggregate to year is Rs.26,693,333 (Previous Year Rs.Nil).

(In Rupees)

Period	Current Year	Previous Year
Not later than one year	12,320,000	Nil
Later than one year and not later than five years	14,373,333	Nil
Later than five years	Nil	Nil

17. Related Party Disclosure

17.1 Names of related parties and description of Relationship

a) List of related parties where control Exists

1) California Software Company Limited

Companies Having Substantial Interest	Kemoil Limited, Hong Kong *
	Cemoil Energy Limited, Hong Kong *

b) Key management personnel Mr.Sam Santhosh

c) List of related parties where no control Exists

Fellow Subsidiaries of Kemoil

Limited	Cemoil corporation USA *
	Cemoil International Pte. Ltd., Singapore *
	Cemoil Europe B.V., The Netherlands *
	Cemoil Terminals Corporation California, USA
	Royal Melbourne Insurance Company Limited British Virgin Islands
	Cemoil Logistics Inc. British Virgin Islands
	Baltic Fuel Inc. British Virgin Islands
	Belgrave Investors Corp. British Virgin Islands
	Cypress Maritime Ltd. British Virgin Islands
	Dryden Agency Inc. British Virgin Islands
	Spy Glass Maritime Ltd. British Virgin Islands
	Soham Corporation. British Virgin Islands
	GPS Cemoil LLC (FZC) U.A.E
	Galaxy Energy Group Ltd. British Virgin Islands
Subsidiaries of the abovementioned fellow subsidiaries	Cemoil Advanced Management Services Pvt. Ltd., India *
	Cemoil Latin America, Inc. Panama *
	Cemoil Middle East DMCC *
	IPC (USA) Inc California, USA
	Andorra Services Inc. British Virgin Islands
	Cemoil North America Corporation Connecticut, USA
	Cemoil Pacific Pte Ltd Singapore
	Ocean Connect.com Inc Delaware, USA

St.Andrews Insurance Brokers, Inc
California USA
Berkshire Energy Ltd. British Virgin
Islands
Chemoil Energy Philippines Inc.
Philippines
Chemoil Storage Limited Marshall Islands
Chemoil Belgium N.V. Belgium
Chemoil Office Support B.V. The
Netherlands
Burando Holding B.V. The Netherlands
Anand Sea Shipping Limited Marshall
Islands
Faith IV Pte Ltd Singapore
Olympic Shipping Pte Ltd Singapore
Chemoil Navigation Limited - Marshall
Islands
Pacifico Bunkering Services SA Panama
Cypress Bunkering Services, SA Panama
Spy Glass Bunkering Services, SA
Bonifay International Corp Panama

Inatech Infosolutions Limited

1. **Vedante Srihari** - Director for part of the year and Key Managerial Person of Inatech Solutions Limited, UK
2. **Ravindra Krishnappa** - Director Key Managerial Person

1. Aspire Communications Private Limited

- a) **Dr. Mahesh. K. Rao**, CEO & Director.
- b) **Mrs. Vijaya Rao**, Director Finance.

2. CSWL Inc and its subsidiaries

- a) IPC USA Inc
- b) Itochu Corporation
- c) Chemoil Corporation
- d) American Healthnet inc

17.2 The above information regarding related parties have been determined to the extent such parties have been identified on the basis of information available with the Company.

Description	Companies having Substantial interest		Fellow subsidiaries of Kemoil Corporation		Total	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
	TRANSACTIONS DURING THE YEAR					
Sales of services	0	Nil	85,734,658	46,214,926	85,734,658	46,214,926
BALANCE AT YEAR END						
Investments						
Sundry Debtors			14,572,557	8,591,996	14,572,557	8,591,996

17.3 Related Party Transactions of subsidiaries

SI No	Name	Nature of Transaction	Value of Transaction Rs.	Balance Outstanding Rs.
Of CSWL Inc and its subsidiaries				
1.	Chemoil Corporation, USA	Advance receivable by CSWL		5,961,577
2.	American Healthnet Inc.	Loan received by American Healthnet Inc.		75,992,351
3.	IPC (USA) Inc	Advance receivable by CSWL		1,131,945
4.	American Healthnet Inc	Advance receivable by CSWL		217,245
5.	Chemoil latin America	Advance receivable by CSWL		173,121
Aspire Communications Private Limited				
1.	Dr. Mahesh Rao	Salary	27,78,271	Nil
		Incentive	700000	
		Reimb of Expenses	1,39,752	
2.	Smt. Vijaya Rao	Salary	220,806	Nil

2. Earnings per share

Basic Earnings Per Share:

	March 31, 2011	March 31, 2010
	Rs	Rs
Weighted average - No. of shares	12,365,006	12,365,006
Profit after Tax	(191,422,204)	356,828,200
Basic Earnings per Share	(15.48)	28.86

Consolidated Statement of Cash Flow for the Year Ended

(in Rupees)

	March 31, 2011	March 31, 2010
CASH FLOW FROM OPERATIONS		
Net Profit Before Tax and Extraordinary and Prior	(370,399,238)	(106,693,172)
Period Items		
<i>Adjustment for:</i>		
Loss on disposal of asset	(5,810,452)	404,213
Profit on sale of asset	Nil	(4,017)
Depreciation	48,086,249	48,263,940
Deferred expenses written off	34,763,250	56,352,961
Interest Income	(803,991)	(4,100,860)
Interest expense	105,980,956	114,095,246
Prior period adjustment and extra ordinary items	(301,090)	694,919,593
Transfer to reserves	Nil	(4,000,000)
Minority Interest changes	17466810	10713033
	(171,017,507)	809,950,938
<i>Adjustment for:</i>		
Current Assets, Loans and Advances	141,303,219	28,119,777
Current Liabilities & Provisions	(1,366,803)	(465,531,723)
Increase/ Decrease in net current asset	139,936,417	(437,411,946)
Cash generated from operations	(31,081,090)	372,538,992
Current Taxation	102,473,433	(154,782,067)
Deferred Taxation	59,337,881	(88,180,209)
Other Items to be adjusted	Nil	Nil
NET CASH FROM OPERATIONS	130,730,223	129,576,715
CASH FLOW FROM INVESTING		
Purchase of fixed Assets net	(6,56,70,509)	(162,977,559)
Cash generated from sale of asset	26,905,171	70,372,698
Deferred tax Asset	(16,946,644)	68,885,687
Increase in expenses to be amortized	(16,335)	(95,512)
Change in Investments	1,082,718	(28,106,803)
Interest Income	803,991	4,100,860
NET CASH FROM INVESTING	(5,38,41,607)	(47,820,630)
CASH FLOW FROM FINANCING		
Loans borrowed (Net of repayment)	168,429,442	(136,815,811)
Deferred tax liability	(88,435,609)	84,605,275
Increase in capital	Nil	Nil
Increase in Share premium	(6,490,613)	Nil
Increase / (Decrease) in other reserves	(17,285,993)	(54,643,833)
Minority Interest changes	(42,827,981)	(5,929,338)
Dividend Tax	Nil	(4,203,146)
Interest Expense	(105,980,956)	(114,095,246)
Dividend	Nil	(24,731,662)
NET CASH FROM FINANCING	(92,591,709)	(255,813,761)
Net increase/ decrease in cash or cash equivalents	(1,57,03,094)	(174,057,675)
Cash & Cash equivalents at the beginning of the year	229,014,255	403,071,930
Cash & Cash equivalents at the close of the year	21,33,11,161	229,014,255

Note: Cash outflow on account of purchase of fixed assets includes effect of foreign exchange fluctuations of fixed assets of overseas subsidiaries from their date of acquisition and year end rate.
As per our report of even date attached

FOR TOMY & FRANCIS
Chartered Accountants

S. Santhosh
Managing Director

Dr. P. J. George
Director

Jitendra Kumar Pal
Company Secretary

K. J. TOMY, B.Sc, F C A
Partner Membership No. 22768

Chennai
June 27, 2011

Statement under Section 212 (8) of the Companies Act, 1956 relating to Subsidiary Companies

(Rupees in Crores)

Sl. No.	Name of the Subsidiary Company	Country of incorp.	Reporting Currency	Exchange Rate	Share Capital	Reserves	Total Assets	Total Liabilities	Investments other than investments in subsidiary	Total Revenues - Period ended March 31, 2010	Profit/(Loss) before taxation	Provision for taxation	Profit/(Loss) after taxation	Proposed Dividend
1	CSWL Inc. & its subsidiaries	USA	US Dollars	Rs. 41.39 /sheet Rs. 45.38 p&L	38.55	(2.95)	60.90	60.90	Nil	105.84	(22.88)	(10.36)	(12.51)	Nil
2	Inatech Infosolutions Pvt Ltd & its subsidiaries	India	Indian Rupee	NA	1.70	2.33	12.52	12.52	Nil	53.70	(4.90)	0.05	(4.95)	Nil
3	East Point Solutions Ltd	India	Indian Rupee	NA	0.05	Nil	0.05	0.05	Nil	Ni	Nil	Nil	Nil	Nil
4	Aspire Communications Pvt Ltd & its subsidiaries	India	Indian Rupee	NA	2.00	1.11	3.28	3.28	1.16	6.29	0.06	0.02	0.04	Nil
5	Calsoft Labs (India) Private Limited	India	Indian Rupee	NA	6.43	Nil	6.43	6.43	Nil	2.96	Nil	Nil	Nil	Nil

*NA: Not applicable. Figures in bracket indicate losses. All Balance Sheet items reported are as at march 31, 2011
Profit and Loss account items are for the year/period ended March 31, 2011 as applicable as included in the consolidated financial statements.

Notes:-

- The annual financial statements of the subsidiary companies are kept available at the registered office of the company for inspection by any shareholder and will also be made available upon request in writing sent by any shareholder to the Company at its registered office. The information given in table above containing aggregates of significant financial data are published under section 212(8) of the Companies Act for not attaching the individual financial statements of these subsidiaries in the Annual report. The consolidated financial statements of the Company inclusive of all subsidiaries are also prepared and published in this Annual Report in compliance with Indian GAAP and Listing Agreements.
- Indian Rupee equivalent of the figures given in foreign currencies in the accounts of the overseas subsidiaries have been reported in this table based on the exchange rates as at year end March 31 2011 for balance Sheet items and average rate during the year 2010-11 for profits & Loss account items
- CSWL Inc for the year and previous year profit/lose figures reported in table to Rs in crores and presented includes the results of its subsidiaries
 - Healthnet International Inc(100% equity held by CSWL) and its 100% subsidiary International Innovations
 - Waldron Ltd (Waldron-100% held by CSWL Inc.)
 - AspireSoft Corporation (100% equity held by CSWL).
 - CNHC, LLC DBA ePayhealthcare (51% outstanding stock held by CSWL)
- Inatech Infosolutions Pvt Ltd for the year included the results of its 100% owned subsidiary Inatech Solutions Ltd UK and its subsidiary M/s Inatech, Egypt.
- East point Solutions Ltd was incorporated in 2007 and yet to commence operations.
- Aspire Communication Pvt Ltd in the year included the results of its 100% wholly owned subsidiary-Aspire Peripherals Ltd.
- Calsot Labs (India) Private Ltd incorporated in 2011.

Chennai
June 27, 2011

S. Santhosh
Managing Director

Dr.P.J.George
Director

Jitendra Kumar Pal
Company Secretary

STANDALONE FINANCIAL STATEMENTS

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Auditors' Report to the Members of California Software Company Limited

To
The Members,
California Software Co. Ltd.,

1. We have audited the attached Balance Sheet of California Software Company Limited as at March 31, 2011 and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by The Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Government of India in terms of section 227(4A) of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) Subject to our remarks in paragraph 4 above, we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) Proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report have been prepared in all material respects in compliance with the applicable accounting standards referred to in section 211(3C) of the Act.
 - (e) On the basis of written representations received from the Directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of Section 274(1)(g) of the Act.
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto, give in the prescribed manner the information required by the Act give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011 ;
 - (ii) In the case of the Profit and Loss Account, of the Loss for the year ended on that date; and
 - (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Chennai
June 27, 2011

CA K J TOMY BSc FCA
Partner
(Membership No: 022768)

For and on behalf of
Tomy & Francis
Chartered Accountants
FRN: 010922 S

Annexure to the Auditors' Report

(Referred to in paragraph 3 of our Report of even date to the members of California Software Company Limited on the financial statements for the year ended March 31,2011)

1.
 - (a) The Company is in the process of maintaining proper records to show full particulars including quantitative details and situation of fixed assets.
 - (b) It has been represented to us that the fixed assets of the Company are physically verified by the management during the year; however documentation of the same comparing the physical inventory and the book inventory is not made available to us.
 - (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
2.
 - (a) The Company has granted an unsecured loans to its 100% subsidiaries Aspire Commuications P Ltd (Rs.25.56 lakhs) and Inatech Infosolutions Private Limited (Rs. 397.31 lakhs)covered under register maintained under Section 301 of the Act. The maximum amount involved during the year Rs.422.87lakhs
 - (b) In our opinion, the rate of interest and other terms and conditions of such loan are not prima facie prejudicial to the interest of the Company
 - (c) In respect of the aforesaid loan, reasonable steps have been taken by the Company for the recovery of the principal amount and interest, where applicable.
 - (d) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
3. In our opinion and according to the information and explanations given to us, having regard to the explanation that certain items purchased/ services rendered are of special nature for which suitable alternative sources do not exists for obtaining comparative quotations, there is generally an adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
4.
 - (a) In our opinion and according to the information and explanation given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
 - (b) In our opinion and according to the information and explanations given to us, having regards to our comments in paragraph 3 above, the transactions made in pursuance of such contracts or arrangements entered into the register maintained in pursuance of Section 301 of the Act and exceeding the value of Rupees five lakhs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
5. In our opinion and according to the information and explanations given to us, the Company has in general, complied with the provisions of Sections 58A and 58AA of the Act and the rules framed there under, with regard to the deposits accepted from public. According to the information and explanations given by the Company, no order under aforesaid sections has been passed by the Company Law Board on the Company in respect of the aforesaid deposits
6. In our opinion, the company has internal audit system commensurate with its size and nature of its business.
7. The Government of India has not prescribed maintenance of cost records by the Company under Section 209(1)(d) of the Act for any of the products of the Company.
8.
 - (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has generally been regular in depositing the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales tax, Value Added Tax, Wealth tax, Service tax, Customs duty, Excise duty, Cess and other material statutory dues as applicable with the appropriate authorities in India.
 - (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of Sales Tax, Value Added Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited on account of any dispute. The particulars of dues of Income Tax, Service tax and Sales tax which has not been deposited on account of a dispute are indicated in Note 24 of Schedule 21.
9. The Company has no accumulated losses as at March 31, 2011 and it has not incurred any cash losses during the year ended on that date or in the immediately preceding financial year.
10. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of its due to any financial institution or bank as at the balance sheet date,

- 11 The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 12 In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company during the year for loans taken by others from banks or financial institutions, are not prejudicial to the interest of the Company.
- 13 In our opinion and according to the information and explanations given to us, on an over all basis, the term loans have been applied for the purposes for which they were obtained.
- 14 On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
- 15 The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
- 16 During the course of our examination of the books of account, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year nor have we been informed of such case by the management.
- 17 Clauses, (ii), (xiii), (xiv), (xix) and xx of paragraph 4 of the Companies (Auditor's Report) Order 2003 as amended by the Companies (Auditor's Report) (Amendment) order, 2004, are not applicable in the case of the Company for the current year, since in our opinion there is no matter which arises to be reported in the aforesaid order.

Chennai
June 27, 2011

CA KJ TOMY BSc FCA
Partner
(Membership No.0 22768)

For and on behalf of
TOMY & FRANCIS
Chartered Accountants
FRN:010922S

Standalone Balance Sheet as at March 31, 2011

	Schedule	As on March 31, 2011		As on March 31, 2010	
		(Rs)	(Rs)	(Rs)	(Rs)
SOURCES OF FUNDS:					
Shareholders' Funds					
Share Capital	1	123,650,060		123,650,060	
Reserves and Surplus	2	808,097,909		886,111,086	
			931,747,969		1,009,761,146
Loan Funds					
Secured Loans	3	704,190,637		653,774,683	
			704,190,637		653,774,683
Deferred Income Tax					41,529,352
TOTAL			1,635,938,606		1,705,065,181
APPLICATION OF FUNDS					
Fixed Assets :					
Gross Block	5	973,934,047		1,080,503,738	
Less: Depreciation		224,002,782		228,212,666	
Net Block			749,931,265		852,291,072
Investments	6		954,763,466		877,264,677
Deferred Income Tax			16,946,644		
Current Assets, Loans & Advances					
Sundry Debtors	7	167,731,724		334,156,606	
Cash & Bank Balances	8	44,672,245		54,375,157	
Loans & Advances	9	105,082,260		44,864,130	
			317,486,229		433,395,893
Less : Current Liabilities and Provisions					
Liabilities	10	401,879,947		418,788,437	
Provisions	11	1,309,051		39,098,024	
			403,188,998		457,886,461
Net Current Assets			(85,702,769)		(24,490,568)
TOTAL			1,635,938,606		1,705,065,181
Significant Accounting Policies	19				
Notes on Accounts	20				

Schedules referred to above form an integral part of these accounts
This is the Balance Sheet referred to in our report of even date

K.J.TOMY B.Sc, FCA
Partner
Membership No 22768

S. Santhosh
Managing Director

Dr.P.J.George
Director

Jitendra Kumar Pal
Company Secretary

For and on behalf of
TOMY & FRANCIS
Chartered Accountants

Chennai
June 27, 2011

Standalone Profit and Loss Account for the Year Ended

	Schedule	Year Ended March 31, 2011		Year Ended March 31, 2010	
		(Rs)	(Rs)	(Rs)	(Rs)
INCOME					
Sales / Services rendered	12		723,813,704		874,479,447
Other Income	13		29,538,761		26,099,551
Total Income			753,352,465		900,578,998
EXPENDITURE					
Purchases & Related Expenses	14		83,438,112		98,164,282
Employee Costs	15		523,887,111		428,969,438
General, Administrative & Other Expenses	16		137,218,074		130,717,343
Selling Expenses	17		9,300,960		10,987,016
Total Expenses			753,844,257		668,838,080
Profit before Interest and Depreciation and Tax			(491,791)		231,740,919
Interest and Finance Charges	18	81,601,685		88,700,209	
Depreciation		54,395,701	135,997,386	60,434,316	149,134,525
Profit before Tax			(136,489,178)		82,606,394
Tax Expenses					
Current Income Tax		Nil		13,700,000	
Fringe Benefit Tax		Nil			
Deferred Tax		(58,476,000)	(58,476,000)	16,029,352	29,729,352
Profit After Tax			(78,013,178)		52,877,042
Profit balance brought forward from Previous years			186,955,652		167,011,488
PROFIT / (LOSS) AVAILABLE FOR APPROPRIATION			10,89,42,474		21,98,88,530
Appropriations					
Proposed Dividend			Nil		24,730,012
Tax on Dividend			Nil		4,202,866
Transfer to General Reserve			Nil		4,000,000
Balance Carried to Balance Sheet			108,942,474		186,955,652
			108,942,474		219,888,530
Weighted average number of Equity Shares outstanding during the year					
Earnings per Share					
Number of Equity Shares outstanding			12,365,006		12,365,006
Earnings per share - Basic and Diluted (in Rs.)			(6.31)		4.28
Significant Accounting Policies	19				
Notes on Accounts	20				

Schedules referred to above form an integral part of these accounts
This is the Profit and Loss Account referred to in our report of even date

K.J.TOMY B.Sc, FCA
Partner
Membership No 22768

S. Santhosh
Managing Director

Dr.P.J.George
Director

Jitendra Kumar Pal
Company Secretary

For and on behalf of
TOMY & FRANCIS
Chartered Accountants

Chennai
June 27, 2011

Schedules Forming Part of Standalone Accounts for the Year Ended

	As on March 31, 2011 RS	As on March 31, 2010 RS
SCHEDULE 1. SHARE CAPITAL		
AUTHORISED CAPITAL		
15,000,000 Equity Shares of Rs.10/- each	150,000,000	150,000,000
ISSUED CAPITAL		
12,365,006 Equity Shares of Rs.10/- each	123,650,060	123,650,060
SUBSCRIBED, CALLED UP AND PAID UP CAPITAL		
12,365,006 Equity Shares of Rs.10/- each fully paid up.	123,650,060	123,650,060
Notes :		
Fully Called up and paid up. (The paid up share capital includes shares worth Rs. 7,24,920 which were issued by the company in October 1994 for consideration by cash)		
SCHEDULE 2. RESERVES & SURPLUS		
Capital Reserve	206,250	206,250
Share Premium	633,084,932	633,084,932
General Reserve	65,864,252	65,864,252
Profit and Loss Account	108,942,474	186,955,652
	808,097,909	886,111,086
SCHEDULE 3. SECURED LOANS		
Loans from Canara Bank		
Canara Bank Term loan	599,981,045	553,845,505
Canara Bank PCFC Loan	98,276,384	99,929,178
Interest Accrued and due	5,933,208	Nil
	704,190,637	653,774,683
Notes :		
1. Term loan repayable within one year	64,900,000	Nil
2. Canara Bank term loan and Canara Bank DPN Loan are secured by exclusive charge over the building, machinery and equipment CanaraBank PCFC Loan are secured by exclusive charge over the building, machinery and equipment and bills.		
SCHEDULE 4. UNSECURED LOANS		
	Nil	Nil

Schedules Forming Part of Standalone Accounts for the Year Ended

SCHEDULE 5. FIXED ASSETS

(in Rupees)

Particulars	Gross Block			Depreciation/Amortisation					Net Block	
	As at March 2010	Additions	Deletions	As at March 2011	Upto March 2010	For The Year	Deletions	Upto March 2011	As at March 2011	As at March 2010
Tangible										
Land & Buildings	574,193,785	0	17,647,387	556,546,398	18,124,427	9,198,185	2,834,133	24,488,479	532,057,919	556,069,358
Plant and machinery	48,348,505	0	0	48,348,505	3,868,031	2,296,578	0	6,164,609	42,183,896	44,480,474
Office Equipment	6,126,270	391,405	5,924,232	593,443	1,013,537	325,579	991,880	347,236	246,207	5,112,733
Electrical Fittings	14,049,441	39,650	6,232,892	7,856,199	1,906,239	870,990	1,572,392	1,204,837	6,651,362	12,143,202
Furniture and fittings	167,798,581	327,286	34,313,412	133,812,455	23,186,084	10,285,850	10,778,052	22,693,882	111,118,573	144,612,496
Computers and accessories	149,385,338	3,852,449	35,577,417	117,660,370	135,048,224	10,566,890	30,785,703	114,829,411	2,830,959	14,337,113
License Fees	14,264,339	341,230	1,826,529	12,779,040	12,625,749	1,591,503	1,661,755	12,555,497	223,543	1,638,590
Vehicles	870,634	0	0	870,634	310,673	82,710	0	393,383	477,251	559,961
Intangibles										
Computer Software	2,219,479	0	2,219,478	1	2,117,294	84,011	2,201,305	0	1	102,185
Product Solutions	103,247,368	0	7,780,366	95,467,002	30,012,408	19,093,405	7,780,366	41,325,447	54,141,555	73,234,960
				0				0	0	0
	1,080,503,739	4,952,021	111,521,713	973,934,047	228,212,668	54,395,701	58,605,587	224,002,782	749,931,265	852,291,071
P Y 31.03.2011	1,070,757,608	15,162,003	5,415,872	1,080,503,739	172,774,678	60,434,318	4,996,328	228,212,668		

	March 31, 2011 Rs	March 31, 2010 Rs
SCHEDULE 6. INVESTMENTS (At COST)		
Unquoted		
In Subsidiaries		
CSWL Inc.U.S.A.(Wholly Owned).	413,126,806	413,126,806
9,662,800 equity shares of \$1 each fully paid up		
East Point Solutions Ltd Chennai,India. (Wholly Owned)	500,000	500,000
50,000 equity shares of Rs 10/- each fully paid up		
Inatech Infosolutions Pvt Ltd Banglore, India.	120,596,000	120,596,000
490,385 equity shares of Re 1/- each fully paid up		
Inatech Infosolutions Pvt Ltd Banglore, India.	303,289,871	303,289,871
Preference shares of Re 1/- each fully paid up		
pref. shares of Re.1 each		
Aspire Communications, Mysore, India	61,585,666	38,940,438
equity shares of Rs 10/- each fully paid up		
Investment in Calspence	794,062	794,062
188,753 equity shares of Srilankan Rs 10/- each fully paid up		
Investment In Calsoft Labs (India) Private Ltd.,	54,853,561	54,85,356
Equity shares of Rs 10/- each fully paid up		
Others:		
Trust money in California Software Employees' Welfare Trust	17,500	17,500
	954,763,466	877,264,677

Schedules Forming Part of Standalone Accounts for the Year Ended

	As on March 31, 2011 Rs	As on March 31, 2010 Rs
SCHEDULE 7. SUNDRY DEBTORS		
Debts Outstanding for a period exceeding six months		
Considered Good	14,595,333	17,885,601
Considered Doubtful	66,757,696	46,258,754
	81,353,029	64,144,355
Other Debts	153,136,391	316,271,005
	234,489,420	380,415,360
Less: Provision for doubtful debts	66,757,696	46,258,754
	167,731,724	334,156,606
Notes :		
1. Due by firms or private companies in which any of the Director is a Partner or Director or a member		
(i) Chemoil Corporation USA	8,976,310	7,876,796
(ii) Chemoil Energy Limited - Singapore	2,104,086	Nil
(iii) Chemoil advanced management services Private Limited, Chennai	250,804	715,200
(iv) IPC (USA) Inc California, USA	3,196,080	Nil
(v) Chemoil Middle East DMCC	45,278	Nil
2. Due from Companies under the same management :		
(i) CSWL Incorporated. USA	103,742,346	265,835,796
(ii) Inatech InfoSolutions Limited UK.	47,517,389	41,673,419
(iii) Inatech Egypt	2,228,378	2,243,940
(iv) Aspire Communication Pvt Ltd	13,858,977	5,629,535
SCHEDULE 8. CASH AND BANK BALANCES		
Cash in hand	26,818	Nil
Balance with Scheduled Banks		
On current accounts	10,344,487	32,125,585
On Dividend accounts	196,137	358,037
On Fixed deposit accounts	2,559,736	2,567,596
Balances with foreign banks		
On current accounts	31,545,067	19,323,939
	44,672,245	54,375,157
Notes:		
1. Includes Margin money deposits	2,559,736	2,567,596
2. Balances with non-schedule banks		
SCHEDULE 9. LOANS & ADVANCES		
(Unsecured and considered good)		
Loans and Advances to Group companies	43,970,795	4,539,690
Advances recoverable in cash or in kind or for value to be received		
Considerd Good	32,384,303	23,361,753
Considerd Doubtful	14,573,056	6,766,163
	46,957,359	30,127,916
	4,220,783	14,801,302
Advance tax and Tax deducted at Source	61,496,249	48,987,886
Less Provision for taxation	36,989,871	46,826,500
Advance tax and Tax deducted at Source	24,506,378	2,161,386
Total	119,655,316	51,630,294
Less: Provision for doubtful Advances	14,573,056	6,766,163
	105,082,260	44,864,130

Schedules Forming Part of Standalone Accounts for the Year Ended

	As on March 31, 2011 Rs	As on March 31, 2010 Rs
SCHEDULE 10. CURRENT LIABILITIES		
Sundry creditors/Expenses payable	298,259,907	246,935,476
Other Liabilities	83,595,720	147,558,599
Advance from customers	4,536,632	6,077,387
Deposits	15,122,160	17,968,700
Unclaimed Dividend Accounts	365,527	248,275
	401,879,947	418,788,437
SCHEDULE 11. PROVISIONS		
Proposed Dividend	(0)	24,839,774
Dividend Tax	Nil	4,202,866
Leave Salary	1,635,119	10,381,452
Provision for Fringe Benefit Tax	4,530,000	4,530,000
Fringe Benefit Tax	4,856,068	4,856,068
Net Provision for Fringe Benefit Tax	(326,068)	(326,068)
	1,309,051	39,098,024
SCHEDULE 12. SALES AND SERVICES RENDERED		
Sale of licenses	6,018,128	141,211,559
Annual Maintenance / Service Agreement	12,314,249	15,607,970
Consultancy Services	34,981,875	33,356,456
Sale of Software	670,499,453	684,303,462
	723,813,704	874,479,447
SCHEDULE 13. OTHER INCOME		
Other Income	1,006,500	2,777,925
Rental Income	19,645,770	21,014,053
Interest On FD	91,146	Nil
Dividend	1,650	2,307,573
Exchange Gain / Loss	8,793,695	Nil
	29,538,761	26,099,551
SCHEDULE 14. PURCHASES & RELATED EXPENSES		
Purchase of Software Licenses	7,807,585	47,232,042
Project Expenses - Bought outs	75,630,527	50,932,241
	83,438,112	98,164,282
SCHEDULE 15. EMPLOYEE COSTS		
Salaries ,Allowances and Bonus	476,230,460	377,815,113
Contribution to Provident and other funds	22,560,945	15,671,807
Staff Welfare Expenses	25,095,705	35,482,518
	523,887,111	428,969,438

Schedules Forming Part of Standalone Accounts for the Year Ended

	As on March 31, 2011 Rs	As on March 31, 2010 Rs
SCHEDULE 16. GENERAL, ADMINISTRATIVE & OTHER EXPENSES		
Electricity Charges	17,442,625	15,526,983
Rent	19,562,904	22,158,210
Rates & taxes	3,055,620	1,935,197
Insurance	613,741	704,799
Repairs & Maintenance - Buildings	2,543,439	5,109,850
Repairs & Maintenance - Plant and Machinery	1,974,383	1,872,533
Repairs & Maintenance - Others	7,576,160	10,293,973
Communication Expenses	2,380,740	4,740,057
Travelling Expenses	42,528,329	43,625,968
Data Circuit Expenses	8,855,044	8,987,181
Statutory audit	1,365,287	1,306,112
Other audit expenses	1,167,557	1,784,776
Service Charges	964,602	1,061,333
Legal ,Professional and Secretarial Expenses	9,660,590	8,282,771
Exchange difference (Net)	Nil	26,985,931
Provision for doubtful debts		
Bad Debts	28,305,833	(27,684,954)
Provision for doubtful advances		
Other Expenses	2,257,322	3,622,410
Loss on sale of assets	249,939	405,253
Profit on sale of assets	(10,286,039)	(1,040)
	137,218,074	130,717,343
SCHEDULE 17. SELLING EXPENSES		
Commission	8,858,592	6,988,618
Business Promotion	442,368	3,998,398
	9,300,960	10,987,016
SCHEDULE 18. INTEREST AND FINANCE CHARGES		
Interest		
Interest on Term Loan	68,742,639	76,708,176
Interest on Working Capital Loan	10,619,252	11,431,668
Interest on Income Tax	Nil	Nil
Interest on HP- Loan	Nil	1,085
Others	Nil	1,201
Finance Charges	79,361,891	88,142,130
Bank Charges	2,239,795	558,079
	81,601,685	88,700,209

Schedules to Standalone Financial Statements

SCHEDULE 19

SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of Financial Statements

The financial statements are prepared under historical cost convention, in accordance with Generally Accepted Accounting Principles ("GAAP") in India and to comply with applicable Accounting Standards notified under Section 211 (3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

2. Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses and disclosure of contingent liabilities as of the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon the management's evaluations of the relevant facts and circumstances as of the date of the financial statements. Actual results could differ from these estimates.

3. Revenue Recognition

Revenue from software development is recognised based on software developed and billed to clients as per the terms of specific contracts. Revenue from consultancy services is recognised when the services have been provided to the customer.

Revenue from the sale of software products is recognised when the sale is completed with the passing of title. Revenue from maintenance services is accrued over the period of the contract.

4. Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. Cost includes direct costs and financing costs related to borrowing attributable to qualifying assets.

5. Impairment

Consideration is given at each Balance Sheet date to determine whether there is any modification or impairment of the carrying amount of the fixed assets. If any condition exists, an asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of any asset exceeds recoverable amount.

6. Depreciation

Depreciation on tangible fixed assets is calculated on straight-line method at the rates prescribed in Schedule XIV of the Companies Act, 1956, except for computers which are depreciated over a period of 3 Years. Intangible assets are amortized over their estimated useful lives (Computer Software 2 Years ; Product Solutions 5 Years).

Depreciation charge on additions / deletions is restricted to the period of use.

Assets individually costing Rs.5,000 or less are fully depreciated in the year of addition.

In the event the useful life of any fixed assets being assessed to be lower than the life derived from the rates specified above, the book value of such assets is charged off as depreciation over their balance useful lives.

7. Leases

In the case of assets taken under operating lease, the rentals are charged to profit and loss account when due.

8. Investments

Long term investments are stated at cost with provisions where necessary, for diminution other than temporary, in the value of investment.

9. Foreign Currency Transactions

Foreign currency transactions including expenses incurred on Trading / Non Trading Overseas offices and revenue accounts of onsite offices are accounted at the exchange rates ruling on the date of transaction. At the year end all monetary assets and liabilities denominated in foreign currency other than investments are restated at the closing exchange rates. Exchange differences arising out of actual payments / realisations and from the year end restatement referred to above are reckoned in the profit and loss account.

10. Employee Benefits

a. Short Term

Short term Employee Benefits are recognised as expenses as per the company's scheme based on the expected obligation.

b. Long Term

Liability in respect of long term Employee Benefits in the nature of accumulated compensated absence is provided for based on actuarial valuation using projected unit credit method.

c. Post Retirement

i) Provident fund

This is a defined contribution plan and contributions made to the fund, in accordance with the applicable rules/statutes are charged to revenue. The Company has no further obligation for future provident fund benefits other than aforesaid contributions.

ii) Superannuation

This is a defined contribution plan. The Company contributes a sum equivalent to 15% of eligible employee's salary towards superannuation fund administered by Life Insurance Corporation of India and are charged to profit and loss account.

iii) Gratuity

This is a defined benefit plan. The Company has subscribed to California Software Company Employees' Group Gratuity Scheme, which is being administered by a Trust set up for this purpose under the aegis of the Life Insurance Corporation of India (LIC). Liabilities with regard to the Gratuity payable to the employees are determined by actuarial valuation using projected unit credit method, based upon which, the Company makes contribution to the Trust. The funds contributed to the Trust are remitted to the LIC. Actuarial gains and losses comprising of experience adjustments and the effects of changes in actuarial assumptions are recognised immediately in the profit and loss account as income or expense.

11. Taxation

Provision for current tax is made based on the liability computed in accordance with the relevant tax rates and tax laws. Provision for deferred tax is made for timing differences arising between the taxable incomes and accounting income computed at current applicable tax rates. Deferred tax assets are recognised only if there is a virtual certainty that they will be realised in the foreseeable future and are reviewed for the appropriateness of their carrying value at each balance sheet date.

SCHEDULE 20**NOTES ON ACCOUNTS***(In Rupees)*

	March 31, 2011	March 31, 2010
1. Capital Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not Provided for (Net of advances)	NIL	NIL
2. Contingent Liabilities :		
2.1 Guarantees given on behalf of other companies	205,090,000	205,090,000
2.2 Claims against the company not acknowledged as debt in respect of certain income tax matters which are subjudice		
a) Income Tax	504,30,003	14,901,556
b) Sales Tax / VAT	6,48,228	Nil
c) Service Tax	8,52,310	Nil
3. Other Financial Information:		
3.1 Outstanding Bank Guarantees	1,934,509	1,942,369
3.2 Reimbursement of travel expenses to Directors	1,052,732	1,187,081
3.3 Amount due to be credited to Investor		
Education and Protection Fund	87,765	248,275
3.4 Sitting fees paid / payable to Directors	55,000	50,000

4. The Company's investments in subsidiaries are considered as long term and strategic in nature. Accordingly, the excess of the carrying value over the net book value of the investments is considered as temporary diminution and hence no provision for the decline in value has been considered in these accounts.

5. Intangible asset- Product solutions represent cost of Product development and no additions during the year in respect of the following products:

- a. Test Automation Framework (TAF)
- b. Virtual IO
- c. Diameter
- d. Networking File System (NSF) and
- e. Bunkering operations Management systems (BOMS)

The future projection in respect of the above products has been estimated by the technical department, although the existence of a market for these products is yet to be developed. However the product solutions are being amortized over a period of 5 years starting Financial Year 2008-09.

6. Debtors include Rs.47,517,389 due from Inatech Solutions Limited UK, and out of that Rs.44,854,616 has been provided for as doubtful debts. And due from Inatech Solutions Egypt Rs. 2228378 has been provided for as doubtful debts.

7. Rent receivable amounting to Rs 2,49,60,471 from Roxanne Research Private Ltd has been shown under Rs.1,28,60,448 has been provided as doubtful rent. The company has initiated legal proceedings against Roxanne.

8. Transfer Pricing

The study of international transactions entered into by the Company with its overseas associates regarding the extent of compliance to the transfer pricing regulations of the Income Tax Act, 1961 is yet to be completed and the impact, if any, arising out of such study has not been recognized in these accounts pending completion of the study.

9. Quantitative Details

As the Company is engaged in the development and export of computer software, the production and sale of which cannot be expressed in any generic unit, the quantitative details etc., as required under the Companies Act, 1956 are not furnished

(In Rupees)

Year Ended	March 31, 2011	March 31, 2010
10. Auditors' Remuneration		
Payments to Auditors comprise the following:		
Statutory Audit	5,00,000	500000
Tax Audit	150,000	150,000
Certification	5,75,000	533700
Out of Pocket expenses	1,40,287	122412
	1,365,287	1,306,112

11. Value of Imports on CIF basis

Capital Goods	NIL	NIL
---------------	-----	-----

12. Expenditure in Foreign Currency

Travelling Expenses	6,930,142	7,182,373
Salaries and Allowances	55,471,415	81,072,657
License Fees	67,25,158	21,630,346
Commission	9,58,130	5,901,407
Rent	7,335,039	7,351,549
Royalty	Nil	Nil
Other Expenses	84,013,18	52,946,686
	85,821,202	176,085,018

13. Earnings in Foreign Currency

Sales	674,162,538	843,523,239
Other Income	NIL	NIL

14. Dividend remitted in Foreign Currency

Number of Non resident shareholders	74	4
Dividend remitted during the year Rs.	18675202	81,631
Number of shares	9337601	81,631

15. Segment Reporting

15.1 The Company's operations predominantly relate to providing development of software to customers globally operating in various industry segments. Accordingly, software product and development revenues along industry classes comprise the primary basis of segmental information set out in these financial statements. The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Revenue and expenses have been identified to segments on the basis of the above primary segment information viz industry segments. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to the segments on a reasonable basis, have been included under unallocable corporate income/ expenses.

The Industry segments of the Company consist of: Technology Solutions (TS), Enterprise Solutions (ES) and Infrastructure Management Services (IMS)

15.2 Primary Segment (In Rupees)					
Particulars	TS	ES	IMS	Unallocated	Total
1. Segment Revenue	560,097,771	136,538,002	27,177,931	Nil	723,813,704
	(493,987,650)	(362,968,984)	(17,522,813)	(Nil)	(874,479,447)
Less: Inter Segment Revenue	Nil	Nil	Nil	Nil	Nil
	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)
Net Sales/ Income from Operations	560,097,771	136,538,002	27,177,931	Nil	723,813,704
	(493,987,650)	(362,968,984)	(17,522,813)	(Nil)	(874,479,447)
2. Segment Results	84,655,590	(57,390,870)	12,739,402	Nil	40,004,122
	(192,891,340)	(145,680,508)	(10,164,082)	(Nil)	(348,735,930)
Less:1.Interest & Finance Charges	Nil	Nil	Nil	81,601,685	81,601,685
	(Nil)	(Nil)	(Nil)	(88,629,037)	(88,629,037)
2.Other Unallocable Expenditure,					
Net of Un-allocable Income	Nil	Nil	Nil	94,891,614	94,891,616
	(Nil)	(Nil)	(Nil)	(177,500,496)	(177,500,496)
Profit / (Loss) before Tax	84,655,590	(57,390,870)	12,739,402	(176,493,299)	(136,489,178)
	(192,891,340)	(145,680,508)	(10,164,082)	(266,129,533)	(82,606,397)

Figures in brackets relate to the year ended March 2010

15.3 Secondary Segment Information

Secondary segmental reporting is performed on the basis of geographical locations of customers. Revenue from external customers based on the location of customers is as below.

	(In Rupees)	
	March 31, 2011	March 31, 2010
USA	561,612,297	631,344,514
Europe	20,366,978	75,987,920
India and other countries	141,834,428	167,147,013
Total	723,813,704	874,479,447

The company believes that it is currently not practicable to provide segment disclosures to total assets and liabilities since a meaningful segregation of available data is onerous.

16. Disclosure under AS 15 revised on Employee benefits

16.1 Gratuity

	(In Rupees)	
	2010-11	2009-10
a) Changes in present value of benefit obligation		
Projected value obligation as at beginning of the year	12,392,964	12,029,672
Current service cost	3,403,022	37,64,404
Interest cost	991,437	962,374
Actuarial loss/(gain)	(9,866,639)	(37,16,380)
Benefits paid	(3,431,180)	(647,106)
Projected value of obligation as at end of the year	3,489,604	12,392,964
b) Changes in fair value of Plan Assets		
Fair value of the plan assets	6,384,676	6,461,192
Expected return on plan assets	525,194	570,590
Contributions	1,291,446	0
Benefits paid	(3,431,180)	(647,106)
Actuarial gain on plan assets	NIL	NIL
Fair value of plan assets at the end of the year	4,770,136	6,384,676
c) Amounts recognised in the balance sheet		
Projected value of obligation at the end of the year	3,489,604	12,392,964
Fair value of plan assets at end of the year	4,770,136	6,384,676
Funded status of the plans – (asset)/ liability	1,280,532	6,008,288

	(In Rupees)	
	2010-11	2009-10
d) Cost for the year		
Current service cost	3,403,022	3,764,404
Interest cost	991,437	962,374
Expected return on plan assets	(525,194)	(570,590)
Net actuarial (gain)/loss recognised in the year	(9,866,639)	(3,716,380)
Past Service Cost	4,716,842	5,568,480
Contributions	0	0
Net cost	(1280532)	6,008,288
e) Principal actuarial assumptions		
Discount rate	8%	8%
Estimated rate of return on plan assets	8%	8%
Expected rate of salary increases	8%	5%
Any other material actuarial assumptions-Attrition	1-3%	1-3%

16.2 Leave Encashment

	(In Rupees)	
	2010-11	2009-10
Obligations at period beginning	10,381,452	7,341,134
Service Cost	5,780,243	9,862,345
Interest on Defined benefit obligation	196,051	253,649
Benefits settled	(14,227,856)	(8,341,038)
Actuarial (gain)/loss	(350,967)	1,265,362
Past Service Cost	0	0
Obligations at period end	1,778,923	10,381,452
Long Term - PBO - Actuarial	1,641,455	9,557,574
Short Term - Compensated absence - Actual	137,468	823,878
	1,778,923	10,381,452
Principal actuarial assumptions		
Discount rate	8%	8%
Expected rate of salary increases	5%	5%
Attrition rate	1-2-3%	1-3%

(In Rupees)

17. Obligations on long-term, non-cancelable operating Leases

The lease rentals charged for the year ended March 31, 2010 / 2009 and maximum obligations on long-term, non-cancelable operating leases payable as per the rentals stated in the respective agreements are as follows :

(In Rupees)

	March 31, 2011	March 31, 2010
Lease rentals recognized during the year	NIL	678,514
Lease Obligations		
Within one year of the balance sheet date	NIL	NIL
Due in a period between one and five years	NIL	NIL

18. Related Party Disclosure

(In Rupees)

18.1 Names of related parties and description of Relationship**a) List of related parties where control Exists**

Companies Having Substantial Interest	Kemoil Limited, Hong Kong
Subsidiaries	Chemoil Energy Limited, Hong Kong
	California Software Laboratories Inc., USA (CSWL) *
	EastPoint Solutions Ltd, Chennai
	Team Front Line Ltd , Cochin *
	Aspire Communications Private Limited, Mysore *
	Inatech InfoSolutions Private Limited, Bangalore *
	Calsoft Labs
Subsidiary of California Software Laboratories Inc.	Healthnet International Inc., USA
	Waldron Limited, Japan
	Informed Decision corporation, USA
	Aspiresoft Corporation, USA
Subsidiary of Inatech InfoSolutions Private Limited	Inatech Solutions Ltd, UK *
Subsidiary of Waldron Limited	Inatech Solutions Egypt, SAE
Subsidiary of Aspire Communications Private Limited	Codex Co Ltd, Japan
Subsidiary of Healthnet International Inc	Aspire Peripherals P Ltd, Mysore
b) Key management personnel	International Innovations Inc., USA
	Mr.Sam Santhosh
	Mr.Clyde Michael Bandy

c) List of related parties where no control Exists

Fellow Subsidiaries of Kemoil Limited	Chemoil corporation USA *
	Chemoil International Pte. Ltd., Singapore *
	Chemoil Energy Limited – Singapore*
	Chemoil Europe B.V., The Netherlands *
	Chemoil Terminals Corporation California, USA
	Royal Melbourne Insurance Company Limited British Virgin Islands
	Chemoil Logistics Inc. British Virgin Islands
	Baltic Fuel Inc. British Virgin Islands
	Belgrave Investors Corp. British Virgin Islands
	Cypress Maritime Ltd. British Virgin Islands

	Dryden Agency Inc. British Virgin Islands
	Spy Glass Maritime Ltd. British Virgin Islands
	Soham Corporation. British Virgin Islands
	GPS Chemoil LLC (FZC) U.A.E
	Galaxy Energy Group Ltd. British Virgin Islands
Subsidiaries of the abovementioned fellow subsidiaries	Chemoil Advanced Management Services Pvt. Ltd., India *
	Chemoil Latin America, Inc. Panama *
	Chemoil Middle East DMCC *
	IPC (USA) Inc California, USA
	Andorra Services Inc. British Virgin Islands
	Chemoil North America Corporation Connecticut, USA
	Chemoil Pacific Pte Ltd Singapore
	Ocean Connect.com Inc Delaware, USA
	St.Andrews Insurance Brokers, Inc California USA
	Berkshire Energy Ltd. British Virgin Islands
	Chemoil Energy Philippines Inc. Philippines
	Chemoil Storage Limited Marshall Islands
	Chemoil Belgium N.V. Belgium
	Chemoil Office Support B.V. The Netherlands
	Burando Holding B.V. The Netherlands
	Anand Sea Shipping Limited Marshall Islands
	Faith IV Pte Ltd Singapore
	Olympic Shipping Pte Ltd Singapore
	Chemoil Navigation Limited - Marshall Islands
	Pacifico Bunkering Services SA Panama
	Cypress Bunkering Services, SA Panama
	Spy Glass Bunkering Services, SA
	Bonifay International Corp Panama

18.2 The above information regarding related parties have been determined to the extent such parties have been identified on the basis of information Available with the Company.

* Represents related parties with whom the company had transactions during the year.

18.3 Related Party transactions for the year ended 31 March, 2011

(in Rs.)

Description	Companies having Substantial interest		CSWL Inc.		Other Subsidiaries		Fellow subsidiaries of Kemoil Corporation		Total	
	2010- 2011	2009-2010	2010- 2011	2009-2010	2010- 2011	2009-2010	2010- 2011	2009-2010	2010- 2011	2009-2010
TRANSACTIONS DURING THE YEAR										
Sales of services	0	Nil	501,244,849	544,000,589	30,854,922	41,843,555	85,734,658	46,214,926	617,834,430	632,059,070
Reimbursement of Expenses and Others			33,379,669	33,379,669			Nil	Nil	33,379,669	33,379,669
Purchase of Services					72,450,116	33,477,154			72,450,116	33,477,154
Purchase of Fixed Assets					Nil	Nil			Nil	Nil
Purchase of Investments					77,498,789	73,559,192			77,498,789	73,559,192
Transfer Assets					64,861,198				Nil	Nil
Advances made			(3,212,503)	(241,038)	42,561,578	1,166,418			39,349,075	925,380
BALANCE AT YEAR END										
Investments			413,126,806	413,126,806	541,619,160	464,120,371			954,745,966	877,247,177
Sundry Debtors			103,742,346	265,835,726	63,604,745	49,546,894	14,572,557	8,591,996	181,919,648	323,974,616
Loans and Advances			86,306	3,298,809	43,802,459	1,240,881			43,888,765	4,539,690
Sundry Creditors			216,136,451	189,243,237	77,242,670	15,487,758	Nil	Nil	298,587,817	204,730,995
Guarantees outstanding			202,590,000	202,590,000	Nil	Nil			202,590,000	202,590,000

19. Earnings per share

Basic Earnings Per Share:

(In Rupees)

	March 31, 2011	March 31, 2010
	Rs.	Rs.
Weighted average - No. of shares	12,365,006	12,365,006
Profit after Tax - Rs	(78,013,178)	52,877,045
Basic Earnings per Share - Rs	(6.31)	4.28

20. Deferred taxation

As at the year end company has a deferred tax asset of Rs.58,476,000 (Previous year Company had a deferred tax liability of Rs 41,529,352). The movement is mainly on account of transfer of major part of assets to a different company and also due to the carry forward loss at the end of the year.

21. As at March 31, 2011 there is no interest payable to Micro and Small Enterprises as defined under the Micro Small and Medium Enterprises Development Act, 2006. This information and that disclosed under schedule 11 have been determined to the extent such parties have been identified on the basis of information available with the Company

22. In the absence of details of specific invoice particulars in the remittance amounts realized from debtors are adjusted on First in First out Basis.

23. Expenses reimbursed to CSWL of Rs. 33,379,669 . are based on Debit notes received from them.

24. Except in respect of the following there are no statutory dues of Customs Duty, Excise Duty, Cess, Wealth Tax and Income Tax, which have not been deposited on account of a dispute.

S. No	Name of the Statute	Nature of the dues	Amount Rs.	Forum where dispute is pending
1.	Income Tax Act, 1961	Income Tax (A.yr 1997-98)	11,27,394	Assessing Officer
2.	Income Tax Act, 1961	Income Tax (A.yr 2000-01)	22,84,617	Assessing Officer
3.	Income Tax Act, 1961	Income Tax (A.yr 2001-02)	1,5,24,090	Madras High Court
4.	Income Tax Act, 1961	Income Tax (A.yr 2002-03)	33,56,300	Madras High Court
5.	Income Tax Act, 1961	Income Tax (A.yr 2003-04)	12,42,460	Madras High Court
6.	Income Tax Act, 1961	Income Tax (A.yr 2004-05)	56,76,083	Commissioner Appeals
7.	Income Tax Act, 1961	Income Tax (A.yr 2005-06)	10,10,516	Madras High Court
8.	Income Tax Act, 1961	Income Tax (A.yr 2006-07)	22,08,543	Madras High Court
9.	Income Tax Act, 1961	Income Tax (A.yr 2007-08)	320,00,000	DRP
		Total IT demand	504,30,003	
5.	Sales Tax ,VAT	Sales Tax 2004-05	6,48,228	Appellate Tribunal
6.	Service Tax	Service Tax 2010-11	8,52,310	Addl Commissioner

25. Events Occurring after balance sheet date - Sale of Outsourced Product Development (OPD) Division

On April 11, 2011, company as a part of Group Strategy, entered into a Master Agreement with ALTEN EUROPE, SARL, France to sell its entire OPD business. Total consideration for the Indian operations is US \$ 3.5 million (Rs. 15.8 crores) which has been received in April.

26 a. Further investment in Aspire Communications Private Limited

At the beginning of current year company had 57.63% of the equity share capital of Aspire Communications Private Limited, Mysore (Aspire). This was diluted to 51% when Aspire offered ESOPS to its employees for Rs.23,00,000/- which was fully subscribed. As on 18-01-2011 California Software Co Ltd (Calsoft) and outside shareholders of Aspire entered into a Share Purchase Agreement (SPA) as per which, Calsoft was to acquire balance 49% in Aspire from the outside shareholders. Total consideration is Rs.226,45,228/- payable various dates till 31-12-2011. As at the year end Calsoft has paid Rs. 85,85,820/-, and balance outstanding payable to outside shareholders of Aspire is Rs. 140,59,408/-. Though physical transfer of shares is yet to take place, the date of SPA is reckoned as the date of acquisition.

26 b. Investment In Calsoft Labs India Private Limited

Calsoft promoted a new company named Calsoft Labs India private Limited. Entire OPD assets of Calsoft amounting to Rs. 53674642/- and all the employees of this segment has been transferred to the newly formed company against the issue of its equity shares. Total investment in the new company as at the year end was Rs. 548,53,561/-. Incorporation and related expenses has been included in the investment cost. As at the year end Calsoft and its subsidiaries Aspire Communications Private Limited and Aspire Peripherals Private Limited holds hundred percent of the share in the new company.

27. Investment in Joint Venture Calspence Technologies Private Limited

Company has made 50% investment in a Joint Venture with AITKEN SPENCE PLC, Srilanka to promote a company named Calspence Technologies Private Limited in Srilanka. As initial investment company has paid an amount of Rs.794062/- against issue of 188753 equity shares @ of Srilankan Rs. 10/- each.

28. Standalone Balance Sheet Abstract and Company's General Business Profile Information Pursuant to Part IV of Schedule VI of the Companies Act, 1956

I. REGISTRATION DETAILS

Registration No. State Code
 Balance Sheet Date

II. CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousands)

Public Issue Rights Issue
 Bonus Issue Private Placement

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousands)

Total Liabilities Total Assets
 SOURCES OF FUNDS:(Amount in Rs. Thousands)
 Paid Up Capital
 Secured Loans
 Deferred Tax
 Reserves & Surplus
 Unsecured Loans

APPLICATION OF FUNDS (Amount in Rs. Thousands)

Net Fixed Assets
 Deferred Tax
 Investments
 Net Current Assets

IV. PERFORMANCE OF COMPANY (Amount in Rs. Thousands)

Turnover (including other income)
 Profit/(loss) Before Tax
 Earnings Per Share (basic) in Rs.
 Total Expenditure
 Profit/(loss) After Tax
 Dividend Rate %

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/ SERVICES OF COMPANY (AS PER MONETARY TERMS)

Item Code No.
 Product Description
 C O M P U T E R S O F T W A R E

As per our report of even date attached

29. Regrouping and Rearranging of figures

The previous year figures have been regrouped, rearranged/ amended wherever necessary to conform to the current year's classification.

Signature to Schedules 1 to 20

Chennai
 June 27, 2011

S. Santhosh
 Managing Director

Dr.P.J.George
 Director

Jitendra Kumar Pal
 Company Secretary

Statement of Cash Flow for the Year Ended

	Year Ended March 31, 2011		Year Ended March 31, 2010	
	(Rs)	(Rs)	(Rs)	(Rs)
A. Cash Flow from Operating Activities				
Profit before Tax		(136,489,178)		82,606,397
Adjustment for :				
Depreciation	54,395,701		60,434,316	
Miscellaneous Expenditure Written off	Nil		Nil	
Loss on Sale of Assets	249,939		405,253	
Profit on Sale of Assets	(10,286,039)		(1,040)	
Profit on Sale of Investments	Nil		Nil	
Leave encashment	Nil		Nil	
Interest Income	(91,146)		Nil	
Interest Expense	79,361,891		88,700,209	
		123,630,346		149,538,738
Operating profit before working capital changes		(12,858,832)		232,145,135
Inventories	Nil		Nil	
Sundry Debtors	166,424,882		130,561,877	
Loans and Advances	(73,445,797)		(9,544,594)	
Current Liabilities	(25,654,817)	67,324,268	112,849,216	233,866,499
Cash Generated from Operating Activities		54,465,436		466,011,634
Taxes Paid		(22,344,992)		(10,759,404)
Net Cash from Operating Activities		32,120,444		455,252,229
B. Cash flow from Investing Activities				
Purchase of Investments		(77,498,789)		(193,724,741)
Purchase of Fixed Assets		(4,952,021)		(4,167,612)
Net increase in fixed deposits with maturity period beyond three months		10,580,520		1,561,056
Sale proceeds of Fixed Assets		62,952,226		3,120
Sale proceeds of Investment			Nil	
Interest Received		91,146		Nil
Net Cash from Investing Activities		(8,826,918)		(196,328,177)
C. Cash flow from Financing Activities				
Long term loan received		(147,789,609)		(1,078,678)
Long term loan repaid				(135,000,000)
Net Increase in packing credit		198,205,563		(2,165,887)
Repayment of Unsecured Loan				Nil
Proceeds from Issue of Share Capital				Nil
Share Premium received				Nil
Interest paid		(79,361,891)		(88,366,422)
Dividend paid		(24,839,774)		Nil
Dividend Tax paid		(4,202,866)		Nil
Net Cash from Financing Activities		(57,988,577)		(226,610,987)
Net Increase / (decrease) in Cash and Cash Equivalents (A+B+C)		(34,695,051)		32,313,066
Cash and cash equivalents at the beginning of the year		51,807,561		19,494,495
Cash and cash equivalents transferred on amalgamation		Nil		Nil
Cash and cash equivalents at the end of the year		17,112,509		51,807,561
Notes:				
1. Cash and cash equivalents at the end of the year		44,672,245		54,375,157
Less: Deposits with the maturity period beyond three months		27,559,736		2,567,596
		17,112,509		51,807,561
Cash and cash equivalents at the beginning of the year		54,375,157		23,623,147
Less: Deposits with the maturity period beyond three months		2,567,596		4,128,652
		51,807,561		19,494,495

This is the Cash Flow Statement referred to in our report of even date

Chennai
June 27, 2011

S. Santhosh
Managing Director

Dr.P.J.George
Director

Jitendra Kumar Pal
Company Secretary

Statement under Section 212 of the Companies Act, 1956 relating to Subsidiary Companies

S.I.No.	Name of the Subsidiary Company	Country of Incorporation	No of shares held by holding Co in the Subsidiary	Face value of share	Percentage of shareholding held by holding Co in Subsidiary at year end	Reporting Currency of the Subsidiary	Financial year end of the Subsidiary	The net aggregate amount of the subsidiary company's Profits/(Losses) in so far as it concerns the members of the holding company (in Rs Crores) -	Refer Note	
							Not dealt with in the holding company's accounts	Dealt with in the holding company's accounts		
							For the year ended 31 March, 2011	For the previous financial year of 31 March, 2011		
1	CSWL Inc	USA	9662800	US \$1	100%	US Dollars	31st March 2011	(12.51)	NII	a
2	Inatech Infosolutions Pvt Ltd	India	490385	Rs.1	100%	Indian Rupee	31st March 2011	(4.95)	(0.71)	b
3	East Point Solutions Pvt Ltd	India	50000	Rs.10	100%	Indian Rupee	31st March 2011	NII	NII	c
4	Aspire communication Pvt Ltd	India	2000000	Rs.10	100%	Indian Rupee	31st March 2011	(0.04)	0.06	d
5	Calsoft Labs (India) Private Ltd	India	5147456	Rs.10	80%	Indian Rupee	31st March 2011	NII	NII	e

**Figures in brackets indicate losses*

a CSWL Inc, USA for the year and previous year profit/loss figures reported in dollars converted in table to Rs Crores and presented includes the results of its subsidiaries

i) Healthnet International Inc, USA (100% equity held by CSWL Inc) and its 100% subsidiary International Innovations

ii) CNHC, LLC DBA ePayhealthcare in which CSWL, Inc owns 51% of the outstanding voting stock

iii) Waldron Ltd, Hong Kong(100% of voting stock held by CSWL Inc.)

iv) AspireSoft Corporation, (100% outstanding stock held by CSWL Inc)

b. Inatech Infosolutions Pvt Ltd, India (100% equity held by Parent Company) and its wholly owned subsidiary Inatech Solutions Ltd,UK and its subsidiary M/s Inatech Solutions, Egypt (51% shares held by Inatech Solutions Ltd, UK)

c. East point Solutions Ltd was incorporated in 2007 and yet to commence operations.

d. Aspire Communication Pvt Ltd for the year included the results of its 100% wholly owned subsidiary-Aspire Peripherals Ltd.

e. Calsoft Labs (India) Private Ltd was incorporated in 2011

Chennai
June 27, 2011

S. Santhosh
Managing Director

Dr. P. J. George
Director

Jitendra Kumar Pal
Company Secretary

Shareholder Information

1. **Date and venue of the Annual General Meeting**
On Friday, 23rd September 2011 at 10-00 a.m.
Robert V Chandran Tower, Eighth Floor, # 149, Velachery
Tambaram Main Road, Pallikaranai, Chennai-600100
2. **Dates of Book Closure**
20th September, 2011 to 23rd September 2011 (both days inclusive)
2010-11
- a. **Financial year**
2010-11
- b. **Dividend payment date**
No dividend for the financial year 2010-11
3. **Listing on Stock Exchanges and Stock Code**
1. National Stock Exchange of India Ltd.,
Exchange Plaza, Bandra Kurla Complex,
Bandra(East),
Mumbai 400 051
Stock Code- CALSOFT
2. Bombay Stock Exchange Limited,
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai 400 001.
Stock ID- CALIFSOF Scrip CODE- 532386
4. **Listing Fees**
Paid for both the above stock exchanges for 2010-11 and 2011-12
5. **Registered Office**
Robert V Chandran Tower, Seventh Floor, # 149, Velachery
Tambaram Main Road, Pallikaranai, Chennai 600100. India.
Tel: +91 44 4282 9000 - 5 Fax: +91 44 4282 9012
6. **Registrars and Share Transfer Agent**
(All Communication on share transfers in physical form,
share certificates, dividends, change of address, etc.,
may be addressed to them.)
Integrated Enterprises (India) Limited,
(Unit: California Software Co Ltd.),
Kences Towers, 2nd Floor,
1, Ramakrishna Street, North Usman Road,
T. Nagar, Chennai 600 017. India.
email : corpseiv@iepindia.com
Tel: + 91 44 2814 0801, 2814 0802 /03

7. Share Transfer System:

The Company's shares are in compulsory Dematerialization Segment for purposes of trading. Share Transfers in Physical form are registered within a period of 15 days from the date of receipt by our Share Transfer Agents - Integrated Enterprises (India) Ltd, provided the documents are complete and the shares under transfer are not in dispute. The share certificates duly endorsed are being immediately despatched after effecting transfer. The total number of equity shares in physical form transferred during the financial year 2010-11 was 1500.

8. Market Price Data: High, Low during each month in the last financial year

The Monthly high and low quotations as well as the volume of shares traded at National Stock Exchange (NSE) and The Stock Exchange, Mumbai (BSE) for financial year 2010 – 2011 are:

Month	NSE			BSE		
	High	Low	Volume	High	Low	Volume
2010						
April	48.00	42.00	62900	49.00	42.00	55324
May	69.50	40.00	2127631	68.75	41.15	1267507
June	56.10	44.40	96381	56.70	44.70	105843
July	55.50	49.60	37114	57.00	49.10	48448
August	53.70	48.00	69876	53.20	47.65	60794
September	52.50	44.00	59355	53.60	42.85	39469
October	49.00	40.20	40945	47.85	40.25	27539
November	50.00	35.10	73286	48.90	38.10	24212
December	48.00	35.15	70386	47.00	36.15	65370
2011						
January	43.00	37.50	52293	42.80	37.10	30452
February	43.00	35.40	44552	43.50	35.55	21955
March	38.90	28.00	88500	38.00	28.00	27780

9. Investor services – complaints received during the year

The Company /Share transfer agents received no complaints from the investors during the year and all these were resolved by the year end. The company /registrars received nineteen service /information requests during the year and all these were attended during the year . The opening and closing balance of complaints and /or information /service requests was nil

10. Legal proceedings

There are no legal cases pending against the Company other than appeals pending before Income Tax dept/Tribunals. These details are provided in point 24 of schedule 20 of notes of accounts of audit report.

11. Distribution of shareholding as on March 31, 2011

No of Equity Shares held	No of Shareholders	% of Shareholders	Total No of Shares	% of Equity Shareholding
Upto 500	2941	84.08	387262	3.13
501-1000	256	7.32	202905	1.64
1001-2000	139	3.97	212294	1.72
2001-3000	50	1.43	125679	1.02
3001-4000	16	0.46	56974	0.46
4001-5000	13	0.37	62616	0.51
5001-10000	42	1.20	308708	2.49
10000 and above	41	1.17	11008568	89.03
TOTAL	3498	100	12365006	100

12. Categories of Shareholders as on March 31, 2011

Category	No of Shareholders	No of Shares held	% of holding
A Promoter group:			
Foreign Bodies corporate	3	8493911	68.69
Promoter group subtotal	3	8493911	68.69
B Public shareholding			
Financial Institutions-Indian	0	0	0
Foreign Institutional investors	0	0	0
Bodies Corporate	95	407716	3.3
Individual shareholders-holding nominal capital upto Rs 1 lakh each	3344	1269366	10.26
Individual shareholders-holding nominal capital in excess of Rs 1 lakh each	33	2182011	17.64
Others(Clearing Members, Trusts & UTI)	23	12002	0.11
Public shareholding sub-total	3495	3871095	31.31
Total	3498	12365006	100.00

13. Financial calendar (tentative and subject to change)

Financial Reporting for the first quarter ending June 30, 2011	Second week of August 14, 2011
Financial Reporting for the second quarter ending September 30, 2011	Second week of November 14, 2011
Financial Reporting for the third quarter ending December 31, 2011	Second week of February 14, 2012
Financial Reporting for the year ending March 31, 2012	Last week of May 31, 2012

14. Dematerialization of shares and liquidity

The Company's shares have been admitted as an eligible security in the depository system of National Securities Depository Ltd. [NSDL] and Central Depository Services (India) Limited [CDSL], bearing an International Securities Identification Number (ISIN) INE526B01014 Trading on exchanges in the company's shares is permitted only in dematerialised form compulsorily as per the circular issued by Securities and Exchange Board of India (SEBI).

As on March 31, 2011, 1,22,30,171 equity shares representing 98.91% of the Company's equity shares were held in dematerialised form.

Reconciliation of Share Capital Audit

A qualified Company Secretary carries out reconciliation of share capital audit every quarter to reconcile the total admitted capital with National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited and the total issued and listed capital. The audit confirms that the total issued/ paid up capital is in agreement with the aggregate total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

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

Nil

16. Updation of E-mail IDs

The Ministry of Corporate Affairs has taken a 'Green Initiative' in the Corporate Governance by allowing paperless compliances by the Companies. As a result, Companies are allowed to send all communication / documents in electronic mode to its members. In order to support the green initiative and to reduce the usage of paper, your Company requests all shareholders to update their e-mail ids with their respective depository participant, where they hold shares in electronic form and to the Company's Registrar and Share Transfer agent, if the shares are held in physical form.

Frequently Asked Questions

Where and in which year was Calsoft incorporated?

Calsoft was incorporated at Chennai (Madras), in the State of Tamil Nadu, on February 6, 1992.

When did Calsoft commence its business operations?

Calsoft commenced its business operations on October 18, 1992.

When did Calsoft have its Initial Public Offer and what was the issue price?

Calsoft made its Initial Public Offer in February 1996. The issue price was Rs 30 per share.

Which Stock Exchanges are Calsoft shares are listed?

The shares of Calsoft are listed on the Stock Exchanges at Mumbai (BSE) and the National Stock Exchange (NSE).

What is the current equity capital of Calsoft?

Calsoft 's equity capital as on March 31, 2011 was Rs.12,36,50,060 comprising 12365006 equity shares of face value Rs10 each.

What is the employee strength of Calsoft?

As on March 31, 2011 Calsoft group (including all its Subsidiaries) had 266 employees, on its rolls.

What is Calsoft's dividend record?

Calsoft has been declaring and paying dividend since its inception in 1992, except for the Financial years, i.e. 2000-01, 2001-02, 2003-04, 2008-09 and 2010-11

Investor contact. How do I contact Calsoft?

Members can contact the following official at telephone numbers /email ids/postal address

The Company Secretary.

Tel: +91 44 4282 9000

Fax : +91 44 4282 9012

Email: investor@calsoft.co.in

The postal address for all investor queries is:

The Company Secretary,
California Software Co Ltd.
Robert V Chandran Tower, Seventh Floor,
149, Velachery Tambaram Main Road,
Pallikaranai, Chennai-600 100
India.

The following officials can also be contacted /written to at the above address for any unresolved issues / queries

Ms. N. Anita, Vice President Corporate Planning

Tel: +91 44 4282 9046

Email: anitan@calsoftgroup.com

The email address for any shareholder enquiries is investor@calsoftgroup.com

For general enquiries the email address is : info@calsoftgroup.com

Where can I get more information about Calsoft and its activities?

Information is available on the following website: www.calsoftgroup.com Links are provided on the website for all other group companies and sites also.

How do I transfer my shares or change my address?

a. Shares held in physical form - For transfer of shares held in physical form, you have to write to the Company's Registrar and Share Transfer Agents:

Integrated Enterprises (India) Ltd,
Unit: California Software Co Ltd,
"Kences Towers", Second Floor, 1, Ramakrishna Street,
North Usman Road, T. Nagar, Chennai 600 017.

Please despatch any certificates only by registered post or reliable courier service to avoid any losses in transit.

For change of address of shares held in Physical form, please write to the Registrars at the address mentioned above giving reference of your folio no.

b. Shares held in demat format - Transfer of shares in electronic form or change in address is effected through your Depository participant (DP). Please contact your DP.

c. Any other general correspondence regarding the shares transfers or unresolved issues are to be addressed to

The Company Secretary,
California Software Co Ltd.
Robert V Chandran Tower, Seventh Floor,
149, Velachery Tambaram Main Road,
Pallikaranai, Chennai-600 100
India.

How do I convert my physical shares to Dematerialised form?

You may approach any authorized Depository Participant for opening of a demat client Account. They will guide you to fill the demat request form thereafter and undertake the process of converting the physical shares to Demat form through interaction with our Registrars. The name/s in which the demat account has been opened in have to be in the same order as they appeared in the physical share certificate.

Please visit our website www.calsoftgroup.com and refer the FAQ in 'investors section' to get most of the recurring queries answered along with downloadable forms and templates (for physical shareholders). You may also write to us at the addresses as mentioned in point 11-c above for any further clarity

Note: All references to Calsoft above stand for - California Software Company Ltd

REGISTERED OFFICE

Robert V Chandran Tower
149, Velachery Tambaram Main Road
Pallikaranai, Chennai 600 100, India
Phone +91 44 4282 9000
Fax +91 44 4282 9012

Info@calsoftgroup.com | www.calsoftgroup.com