



Realize Your Ideas

ANNUAL REPORT

2013-14

CORPORATE INFORMATION

Board of Directors

Bhavesh Rameshlal Chauhan
Managing Director & CEO

Dr. P J George
Non Executive Independent Director

K Chandra Pratap
Non Executive Independent Director (*Till 31st March 2014*)

T R Ramasamy
Non Executive Independent Director (*wef from 31st March 2014*)

Frederick Ivor Bendle
Director (*wef from 23rd September 2014*)

Company Secretary & Compliance Officer
Jitendra Kumar Pal

Auditors

M/s TOMY & FRANCIS
Chartered Accountants

Main Bankers
Canara Bank

Stock Exchanges -Listed on

- I - National Stock Exchange of India Limited
- II - The Bombay Stock Exchange Limited

Contact us:

Registered Office & Corporate Office
Robert V Chandran Tower
No.149, Velachery Tambaram Main Road,
Pallikarnai, Chennai- 600 100
Telephone Nos. +91- 44-42829000
Fax No. +91-44-42829012
Email for shareholders: investor@calsoftgroup.com
Website: www.calsoftgroup.com

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- 28140801 to 28140803
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Letter to Shareholder



Dear Shareholders,

The financial and trading position of your company inherited by the current management in 2012, has proved to be far worse, and the problems far deeper than was then anticipated. The number of complex disputes and claims that burdened the group; together with a difficult economic environment in India and abroad, and a period of very high Rupee interest rates and a very weak property market have strained the Group's resources almost to breaking point.

During this financial period the sale of the Inatech business was completed. Your Board felt that this business was in a highly competitive, low margin market, for which Calsoft lacked the critical mass necessary to compete effectively with larger more well known players. We also disposed of the Microsoft based business of Calsoft. It is a tribute to the quality of personal that have worked for Calsoft that a buyer was prepared to pay a substantial sum for that business despite it having almost no sales income and substantial trading losses in both the last two years.

Although the Group has raised some funds through the realisation of these businesses and reduced its staff to only a handful, it has still required some assistance from its major shareholder to meet its obligations including the repayment

and interest burden on RVC Towers in Chennai, where falls in rental income and increases in interest rates have left a significant funding gap. I am grateful for the support of our major shareholder in this respect.

I am happy to be able to inform you that despite a very poor market in Chennai for commercial property, we have been able to secure after the financial year end, a serious offer to purchase the building, albeit at a lower price than we had initially hoped. The consideration payable would enable Calsoft to settle all amounts outstanding to Canara bank under the mortgage over RVC Towers. This is a major step that will allow us now to move forward with plans to sell the benefits of Calsoft's reputation and exchange listing to a technology company that we feel has a more relevant product and a brighter prospect. But I must counsel some caution that such processes as are governed by Stock Exchange and other statutory regulations can be time consuming and costly and the company has only limited funds to achieve its goals.

I thank shareholders for their continuing support.

Bhavesh Rameshlal Chauhan
Managing Director & CEO

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Twenty second Annual General Meeting of the Company will be held on Thursday the 27th November 2014 at 11.00 a.m. at the Registered Office of the Company at Robert V Chandran Tower, # 149, Velachery Tambaram Main Road, Pallikaranai, Chennai - 600 100 transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at March 31, 2014 and the Profit and Loss Account for the year ended on that date and the report of the Directors and Auditors thereon.
2. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT consent of the Company be and is hereby accorded to re-appoint M/s. Tomy & Franics, Chartered Accountants (Firm Regn. No. 010922S) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting.

FURTHER RESOLVED THAT they may be paid the remuneration which may be decided by the Board of Directors of the Company or committee thereof."

SPECIAL BUSINESS:

3. Appointment of Mr. T R Ramasamy as an Independent Director.
To consider and if thought fit to pass with or without modification(s), the following Resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Mr. T R Ramasamy, (holding DIN: 02028940) a non-executive director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, to hold office for five

consecutive years for a term from, 31st March 2014 to 31st March, 2019."

4. Appointment of Mr. Dr P J George as an Independent Director.
To consider and if thought fit to pass with or without modification(s), the following Resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Dr. P J George, (DIN00334799) a non-executive director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, to hold office for five consecutive years for a term upto 31st March, 2019."
5. Appointment of Mr. Frederick Ivor Bendle as a Director.
To consider and if thought fit to pass with or without modification(s), the following Resolution as an Ordinary Resolution:
"RESOLVED THAT Mr. Frederick Ivor Bendle, (holding DIN: 03156399) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 23rd September, 2014 pursuant to Section 161(1) of the Companies Act, 2013 and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature to the Office of Director, be and is hereby appointed as a Director of the Company."

By order of the Board

For **California Software Company Limited**

Chennai
23rd September 2014

Jitendra Kumar Pal
Company Secretary

Notes:

- A SHAREHOLDER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A SHAREHOLDER.
- Book Closure: The Register of Members and the Share Transfer Books of the Company will remain closed from 22nd November 2014 to 27th November 2014 (both days inclusive) in connection with the Annual General Meeting.
- Shareholders are given an option to hold their securities in a depository or in the physical form. However it maybe noted that for trading purposes on NSE & BSE, the Company's stock is in compulsory demat trading list.
- Shareholders of physical format shares opting to convert shares to depository form are requested to notify through their Depository Participant (DP) to the Company's REGISTRAR AND SHARE TRANSFER AGENTS through filling the demat request form available with their DP to the address given herein:
INTEGRATED ENTERPRISES (INDIA) LTD.,
Unit: California Software Co Ltd
"Kences Towers", II Floor, 1, Ramakrishna Street,
North Usman Road, T.Nagar, Chennai - 600 017
- Shareholders who hold their securities in physical form and need to complete any transfer of holdings or endorsements may forward their securities to the Company's Registrar and Share Transfer Agents at the above address alongwith duly filled and stamped share transfer forms.
- Shareholders holding shares in physical format are requested to notify the Company's Registrar and Share Transfer Agents any change in their address immediately (with folio no reference) so as to enable the Company to send any future communication at their correct address. Those holding shares in demat format need to ensure that their correct address is reflected in their Depository Participant (DP) records and inform DP of any changes as and when relevant.
- Pursuant to section 205C of the Companies Act, 1956, all unclaimed dividends upto and inclusive of the financial year 2005 - 06 (YE March 31, 2006) have been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government.
- Shareholders who have not encashed any of their dividend warrants from the year 2006-07 onwards are requested to submit their claims to the Company Secretary at the Registered Office of the Company giving due details such as shareholder folio, /DP account no, and details for which year dividend is not received, and bank account details to be printed on the warrant.
- Nomination facility is now available for the shareholders. Members holding shares in physical format. may obtain nomination forms from the Registrar & Share Transfer Agent and send the nomination form back duly filled up and signed. Members holding shares in

demat form may kindly send their nominations to their Depository Participant (DP) only in the format specified by their DP which will be for all their holdings in a client account.

Attendance slip and proxy form are enclosed.

VOTING THROUGH ELECTRONICS MEANS

In compliance with provisions of Section 108 of the Companies Act, 2013 and rules made there under read with Clause 35B of the Equity Listing Agreement, the Company is pleased to provide e-Voting facility for its members to enable them to cast their votes electronically. The company has availed the e-Voting services as provided by National Securities Depository Limited (NSDL). The Company has appointed Mr. P Krishna Kumar, Practising Company Secretaries, Chennai as scrutinizor for conducting the e-Voting process in a fair and transparent manner. The instructions for e-Voting are detailed hereunder:

The voting right of shareholders shall be in proportion to their share in the paid up equity share capital of the Company as on the cut-off date being 31st October 2014. The instructions for Shareholders for e-Voting are as under:

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

- (i) Open e-mail and open PDF file viz; "**California Software Company Limited e-Voting.pdf**" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-Voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL: **https://www.evoting.nsdl.com**
- (iii) Click on "**Shareholder - Login**".
- (iv) Insert user ID and password as initial password noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of e-Voting opens. Click on e-Voting: Active Evoting Cycles.
- (vii) Select "EVEN" of California Software Company Limited.
- (viii) Now you are ready for e-Voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) For the votes to be considered valid, the institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer

through e-mail at **kkfcs1@gmail.com** with a copy marked to **evoting@nsdl.co.in**

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

- (i) Initial password is provided as below/at the bottom of attendance Form.

EVEN (e-Voting Event Number)	USER ID	PASSWORD/PIN

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

(C) Other instructions

- (i) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com
 - (ii) If you are already registered with NSDL for e-Voting then you can use your existing user ID and password for casting your vote.
 - (iii) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
 - (iv) The e-Voting period commences on Wednesday, 19th November, 2014 (9:00 am) and ends on Friday, 21st November 2014 (6:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 31st October 2014, may cast their vote electronically. The e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it.
 - (v) The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-Voting period / unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 - (vi) The Results shall be declared on or after the Annual General Meeting of the Company and shall be deemed to be passed on the date of Annual General Meeting. The results alongwith the Scrutinizer's Report shall be placed on the website of the Company www.calsoftgroup.com within 2 days of passing of the resolutions at the Annual General Meeting of the Company and shall be communicated to BSE Limited and National Stock Exchange of India Limited.
6. All documents referred to in the accompanying Notice and the Explanatory Statements are open for inspection at the Registered Office of the Company between 10.00 A.M. and 1.00 P.M. on working days up to 21st November 2014.
 7. The Notice together with the accompanying Explanatory Statement is and may be treated as an abstract of the terms of appointment/ variation in terms of appointment and memorandum of interest of Directors under Section 190 of the Companies Act, 2013.

EXPLANATORY STATEMENT

Item No.3

Appointment of Mr. T R Ramasamy as an Independent Director

Mr. T R Ramasamy was appointed as an Additional Director of the Company by the Board at its Meeting held on 31st March 2014. In terms of Section 161 of the Companies Act, 2013 he holds office till the date of the ensuing AGM and is eligible for re-appointment. Notice under Section 160 of the Companies Act, 2013, along with the requisite deposit has been received from a member signifying his intention to propose the candidature of Mr. T R Ramasamy as a Director of the Company.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, the resolution seeks the approval of the members for the appointment of Mr. T R Ramasamy as an Independent Director for a term of five consecutive years upto 31st March, 2019 and he shall not be liable to retire by rotation.

Mr. T R Ramasamy's appointment is subject to the approval of the members in the Annual General Meeting.

The Directors recommend the resolutions set out in Item No. 3 of the accompanying notice.

A brief profile of Mr. T R Ramasamy, the nature of his expertise, and the names of companies he holds directorships along with the details of membership / chairmanship on various committees of the Board of other companies, shareholding in the Company and relationship between the directors inter-se is annexed to this notice.

None of the Directors or Key Managerial Personnel of the Company or their relatives other than Mr. T R Ramasamy's is in any way concerned or interested in the resolution.

Item No.4

Appointment of Dr. P J George as an Independent Director

Dr. P J George is a Non Executive Independent Director of the Company. He is on the Board of the Company since 1992. Dr. P J George is the Chairman of the Stake holders relationship Committee and member of Audit Committee.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, the resolution seeks the approval of the members for the appointment of Dr. P J George as an Independent Director for a

term of five consecutive years upto 31st March, 2019 and he shall not be liable to retire by rotation.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Dr. P J George as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Dr. P J George as an Independent Director as set out at Item No.4 of the Notice, for the approval of the members.

A brief profile of Dr. P J George, the nature of his expertise, and the names of companies he holds directorships along with the details of membership / chairmanship on various committees of the Board of other companies, shareholding in the Company and relationship between the directors inter-se is annexed to this notice.

None of the Directors or Key Managerial Personnel of the Company or their relatives other than Dr. P J George's is in any way concerned or interested in the resolution.

Item No.5

Mr. Frederick Ivor Bendle was appointed as an Additional Director of the Company by the Board at its Meeting held on 23rd September 2014. In terms of Section 161 of the Companies Act, 2013 he holds office till the date of the ensuing AGM and is eligible for re-appointment. Notice under Section 160 of the Companies Act, 2013, along with the requisite deposit has been received from a member signifying his intention to propose the candidature of Mr. Frederick Ivor Bendle as a Director of the Company.

Mr. Frederick Ivor Bendle's appointment is subject to the approval of the members in the Annual General Meeting.

A brief profile of Mr. Frederick Ivor Bendle, the nature of his expertise, and the names of companies he holds directorships along with the details of membership / chairmanship on various committees of the Board of other companies, shareholding in the Company and relationship between the directors inter-se is annexed to this notice.

The Directors recommend the resolutions set out in Item No. 5 of the accompanying notice.

None of the Directors or Key Managerial Personnel of the Company or their relatives other than Mr. Frederick Ivor Bendle is in any way concerned or interested in the resolution.

DIRECTORS REPORT

Dear Shareholders,

Your Directors presenting their Report on the Business & Operations of your Company and its working results for the year 2013-14.

FINANCIAL RESULTS

1. Financial Results All figures in ₹ Crores except for EPS

Details	Consolidated		Standalone	
	Year ended 31-Mar-14	Year ended 31-Mar-13	Year ended 31-Mar-14	Year ended 31-Mar-13
Total Revenues	7.22	51.73	7.20	22.78
Total Expenses	27.85	64.07	26.30	30.38
Profit before exceptional and extra-ordinary items and tax	(20.63)	(12.35)	(19.10)	(7.60)
Exceptional items	(6.20)	(9.66)	(0.55)	16.46
Profit before extraordinary items and tax	(14.43)	(2.70)	(18.56)	(24.06)
Profit before Tax	(14.42)	(2.70)	(18.56)	(24.06)
Current Tax	Nil	Nil	Nil	Nil
Deferred Tax	Nil	0.06	Nil	Nil
Loss for the year	(14.48)	(2.75)	(18.56)	(24.06)
Minority Interest	Nil	Nil		
paid up equity capital	12.36	12.36	12.36	12.36
Earning per share (EPS) for the year (Rs)				
i) Basic	(11.71)	(2.23)	(15.01)	(19.46)
ii) Diluted	(11.71)	(2.23)	(15.01)	(19.46)

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

DIVIDEND

The Company and the Group incurred a loss for the year and have accumulated negative reserves as at the year end. The Directors therefore recommend that no dividend be paid in respect of the Financial Year 2013-2014.

BUSINESS UPDATE AND OUTLOOK

The restructuring plan started in 2012 is close to completion at the date of this report. The businesses of the company that were all loss making, have been sold off for cash; and all of the many disputes and known claims against the company have been settled. The Company's remaining subsidiaries have been closed and liquidated, or are close to being liquidated. The cash realised has been used mainly to settle claims and to maintain the interest and capital repayments on the loan secured on RVC Towers, the company's headquarters building in Chennai, which has proved extremely difficult to sell. Had the Company defaulted on that loan it would almost certainly have caused a rapid and total collapse of the company and destroyed any chance of recovery. There is now a glimmer of hope on the horizon, as at the date of this report the Board has secured a buyer for RVC Towers, at a reasonable market price, although there will be limited surplus funds remaining from the sale price after settlement of the outstanding mortgage in favour of Canara bank. The sale of RVC Towers will at last allow the Board to move forward with its intentions to structure a reverse takeover of Calsoft, which we hope will form a platform to build some future value.

RESULTS OF OPERATIONS

I - Consolidated Results

During the year, your Company on a consolidated basis with all its subsidiaries earned total revenue of ₹ 7.22 Crores as against ₹ 51.73 Crores earned during the previous year. The profit before tax during the year is ₹ (14.42) Crores as against ₹ (2.70) 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 ₹ (14.48) Crores as against a loss of ₹ (2.75) 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 ₹ 7.20 Crores as against ₹ 22.78 Crores earned during the previous year. The profit before tax during the year is ₹ (18.56) Crores as against ₹ (24.06) Crores of the previous year.

After taking into account the tax provisions and adjustments, the loss for the year was ₹ (18.56) Crores as against a loss of ₹ (24.06) Crores for the previous year.

REVIEW OF SUBSIDIARIES

The Company's Subsidiary Inatech Infosolutions Private Limited was disposed of during the year by sale for cash, in accordance with

valuations carried out by a certified valuer and the consent of shareholders.

In addition the businesses conducted by Calsoft in India and Dubai were sold for cash.

I - CSWL, Inc. USA and its Subsidiaries

CSWL Inc and its subsidiaries earned total revenue of US\$ 938,571 on a consolidated basis during the year, compared to US \$ 1,771,134 achieved during the previous year.

The subsidiary reported a profit of US\$ 833,275 as compared to a profit of US\$ 225,366 last year.

The results of existing subsidiaries International Innovations, Waldron Ltd and AspireSoft Corporation are included for the full year under review.

The Company and its subsidiaries are in the process of liquidation.

II - Aspire Communications Private Ltd

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

Aspire on a consolidated basis has reported revenues of ₹ 0.01 Crores with loss of ₹ 0.94 Crores against the consolidated reported revenues of ₹ 0.01 Crores with a loss of ₹ 0.45 Crore of the previous year.

The Company and its subsidiaries are in the process of liquidation.

CONSOLIDATED RESULTS PUBLICATION

As per Section 129 of the Companies Act, 2013, a copy of the Balance Sheet, Profit and Loss Account, Report of the Board of Directors and the Report of the Auditors of the above subsidiary companies have not been attached with the Balance Sheet of the Company. The Company will make available these documents upon request in writing to the Company Secretary at the Registered Office of the Company by any member of the Company interested in obtaining the same.

However, as required under the Listing Agreements with the Stock Exchanges, the Consolidated Financial Statements of the Company and all its Subsidiaries as prepared in accordance with Indian GAAP is enclosed and form part of the Annual Report and Accounts.

DIRECTORS

Mr. K Chandra Pratap resigned as Directors with effect from 31st March 2014 the close of business hours. The Directors wish to place on record the valuable service rendered by him during his tenure.

Mr. T.R.Ramasamy has been appointed as an additional director with effect from 31st March 2014.

Mr. Frederick Ivor Bendle has been appointed as additional director with effect from 23rd September 2014.

The Company has received notice under Section 160 of the Companies Act, 1956 from a member proposing Mr. T R Ramasamy for appointment to the office of Director.

The Company has received notice under Section 160 of the Companies Act, 1956 from a member proposing Mr. Frederick Ivor Bendle for appointment to the office of Director.

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 audit report, we state as follows:-

- (i) Note No.26 to the financial statement regarding Impairment of Fixed Assets amounting to ₹ 44,539,816/-

Land and and Building was written down by ₹ 21,218,585/- in 2012-13 based on the realizable value of the land and building (As valued by Valuer on 17/01/2013).

Based on the above valuation the management has impaired the value of Plant & Machinery and Electrical Fittings which are integral part of the above property and are having no other realizable value separately, as given below:

Plant & Machinery	-	₹	3,75,84,496
Electrical Fittings	-	₹	56,57,320

Further as part of the settlement with one of the tenants company has acquired Furniture & fixtures for ₹ 12,98,000/-. This has also been impaired fully.

Total impairment cost of ₹ 445,39,816/- is over and above the regular depreciation charged during the year and hence taken to Statement of Profit and Loss as exceptional item.

- (ii) Note No. 6 to the financial statement and Notes to Fixed Asset schedule regarding Change in Depreciation Policy of land & building and resultant loss amounting to ₹ 137,38,189/-

Building Depreciation is charged assuming a remaining life period of 25 years from the date of valuation on 17th January 2013 and depreciation charged due to this change during the year is ₹ 137,38,189/-

- (iii) Note No. 27 to the financial statement regarding restatement of receivables and payables write back of excess provision of ₹ 227,05,294/-

During the year the company reassessed its Trade receivables and payables accumulated over the years and restated them on a realistic basis. On the basis of above, net write off of bad Debts, other receivables, old Deposits and payables were written off for ₹ 269,10,239/- against the existing provision. Excess Provision of ₹ 227,05,294/- was written back to profit and Loss Account.

Remaining receivables and payables are subject to confirmation.

These are all intercompany transactions and in the opinion of the management and they are not prejudicial to the interest of the company and at consolidated level they get eliminated.

- (iv) Note No. 45 to the financial statement regarding Disinvestment of wholly owned subsidiary Inatech Infosolutions P Ltd resulting in a profit of ₹ 50,019,646/-

During the year, 21/02/2014 the company had disinvested its entire holding in wholly owned subsidiary Inatech Info Solutions P Ltd by transferring the shares to Chemoil International pte ltd, Singapore a company from parent group. Share purchase agreement between two companies dated 23/12/2013 was

approved by the Board of Directors in the Board Meeting held on same date. By the above SPA, the purchase consideration was fixed at ₹ 0.48/- per each of 16,998,985 shares of ₹ 1/- held by the company in Inatech Info Solutions P Ltd. The valuation of shares was done by an outside valuer. Based on above total purchase consideration received was ₹ 82,28,458.37.

As on the date of transfer Company's books of accounts had a net payable amount of ₹ 58,790,172/- to Inatech Info Solutions P Ltd. This amount was written back and is considered as a part of Purchase consideration resulting in a total net profit of ₹ 50,019,646/- on sale of Investment and taken to profit and loss Account as an Exceptional item.

The carrying value of Investment in Inatech Info Solutions P Ltd was impaired by the management by ₹ 406,886,886/- in the preceding two years.

- (v) Note no. 46 to the financial statement regarding unsecured loans from Associate companies amounting to ₹ 110,286,406/- .

Auditor's notes are self explanatory.

- (vi) Account Receivable and payables are subject to confirmation.

These are all intercompany transactions and in the opinion of management they are not prejudicial to the interest of the Company and at consolidated level they get eliminated.

- (vii) Company's Overseas subsidiary CSWL Inc and Indian subsidiary Aspire Communications P Ltd and its subsidiary Aspire peripherals P Ltd have stopped their operations fully. CSWL Inc has initiated Liquidation proceedings.

Auditor's notes are self explanatory.

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 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

The total number of our head count as on 31st March 2014 was 1 as against 204 as on 31st March 2013.

PARTICULARS OF EMPLOYEES

In terms of the provisions of the Companies Act, 2013 none of the employees were drawing salary more than the prescribed limit.

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

Your Company being in the Information Technology Enabled Services (ITES), the provisions relating to conservation of energy and technology absorptions are not applicable. The details of the earnings and expenditure in foreign currency are given below:

	2014 (₹ in Crores)	2013 (₹ in Crores)
Foreign exchange earnings	4.00	14.99
Foreign exchange outgo (including capital goods and imported software packages)	12.07	28.80

DIRECTORS' RESPONSIBILITY STATEMENT

Your 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, 2013;
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The 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 **Bhavesh Rameshlal Chauhan** **Dr. P J George**
23rd September 2014 *Managing Director & CEO* *Director*

AUDITORS' REPORT ON CORPORATE GOVERNANCE

To
The Board of Directors,
California Software Company Ltd.
Robert V Chandran Tower

No.149, Velachery Tambaram Main Road
Pallikarnai, Chennai- 600 100

We have examined the compliance of conditions of Corporate Governance by California Software Company Limited for the year ended on 31st March, 2014 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.

Chennai
23rd September 2014

For **Tomy & Francis**
Chartered Accountants

K.J. TOMY, B.Sc., F.C.A
Partner

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, 2014

Category	No. of Directors	%
Whole time Director	1	33.33
Independent Non-executive Directors	2	66.67
Total	3	100.00

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

No. of meetings	Dates on which hold
7	29th May 2013, 13th August 2013, 27th August 2013, 14th November 2013, 23rd December 2013, 14th February 2014, 31st March 2014

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

Sl No	Name of the Directors	No. of Board meetings attended	Attendance at the last AGM (Yes/No)
1	Mr. Bhavesh Rameshlal Chauhan	7	Yes
2	Dr. P J George	6	Yes
3	Mr. K Chandra Pratap	6	Yes
4	Mr. T R Ramasamy	1	No

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:

Mr. K Chandra Pratap, Chairman (Till 31st March 2014)

Mr. T R Ramasamy, Chairman (wef 01st April 2014)

Dr. P J George, Member

Mr. Bhavesh Rameshlal Chauhan, Member

c) Meetings and attendance during the year :

The Committee held five meetings, on 29th May 2013, 13th August 2013, 27th August 2013, 14th November 2013 and 14th February 2014. 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 remuneration policy.

b) Composition of the Committee:

Current composition is

Dr. P J George, Chairman

Mr. K Chandra Pratap, Member (upto 31st March 2014)

Mr. T R Ramasamy, Member (wef 01st April 2014)

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 2013-2014:

in ₹

Sl. No	Name	Designation	Salary	Performance Incentive	Commission	Toral	Notice Period	Severance fee	No. of Options	Remarks
1	Bhavesh Rameshlal Chauhan	Managing Director & CEO	-	-	-	-	1 month	-	-	-
2	Dr. P J George	Director	-	-	-	-	-	-	-	Sitting fees were paid for Board and committee meetings attended
3	K Chandra Pratap	Director	-	-	-	-	-	-	-	Sitting fees were paid for Board and committee meetings attended
4	T R Ramasamy	Director	-	-	-	-	-	-	-	Sitting fees were paid for Board and committee meetings attended

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

Dr P J George, Chairman

Mr. K Chandra Pratap (till 31st March 2014)

Mr. T R Ramasamy (wef 01st April 2014)

Mr. Bhavesh Rameshlal Chauhan

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 Annual General Meetings were held:**

Year	Date	Venue	Time
2010-11	23rd September 2011	Robert V Chandran Tower, 149, Velacherry Tambaram Main Road, Pallikarnai, Chennai- 600 100	10.00 a.m
2011-12	27th September 2012	Robert V Chandran Tower, 149, Velacherry Tambaram Main Road, Pallikarnai, Chennai- 600 100	10.00 a.m
2012-13	30th September 2013	Robert V Chandran Tower, 149, Velacherry Tambaram Main Road, Pallikarnai, Chennai- 600 100	10.00 a.m

Special resolutions passed in the previous three AGM

year 2010-11 - Nil

year 2011-12 - Nil

year 2012-13 - Nil

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

No.

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.

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 newspapers like Trinity Mirror (in English) 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.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (MDA)

a. Industry structure and developments

Global economy strengthened during the second half of 2013. The overall world economy is expected to improve further in 2014-15, largely on account of recovery in the developed economies. Global growth is projected to be around 3.6% in 2014, rising to 3.9% in 2015 as compared to 3.0% in 2013 .

Global IT services spending has shown recovery, driven by improvements in macro-economic fundamentals. Worldwide spending on IT services accelerated by 4.5% in 2013 compared to 1.5% growth in 2012. The total IT services spending is expected to carry the momentum further into 2014.

Growth in the United States is expected to be 2.8% in 2014, up from 1.9% in 2013. Euro area is turning the corner from recession to recovery. Growth is projected to strengthen to 1.2% in 2014 and 1.5% in 2015, but the recovery will be uneven amongst nations in the Euro Zone.

Growth in the emerging market and developing economies is expected to increase to 4.9% in 2014 and to 5.4% in 2015. Growth in China rebounded strongly in the second half of 2013, largely due to acceleration in investment. China grew by 7.7% in 2013, same as in 2012. It is expected to grow by 7.5% in 2014. Growth in India picked up after a favorable monsoon season and higher export growth and is expected to firm further on stronger structural policies supporting investment. It grew by 4.4% in 2013 and is expected to grow by 5.4% in 2014. Many other emerging market and developing economies have started to benefit from stronger external demand in the developed economies and China.

As per NASSCOM, the worldwide IT-BPO outsourcing market size grew by 8.1% to \$134-140 billion in 2013. India continues to be the leader in the ITBPO outsourcing market, with a significant cost-advantage and with a 55% market share, up from 52% the previous year. Indian IT-BPO companies captured 90% of the incremental market, showcasing its increased significance in the global outsourcing market. NASSCOM estimates that Indian ITBPO services exports shall grow by 13-15% to \$97-100 billion in FY2015, compared to 13% growth in FY2014. There is significant headroom for Indian players to grow. This is reflected in the relative growth rate of Indian players, which is more than double the growth rate of overall market. The emerging technologies are poised to redefine the future of the IT services industry. These are popularly known as SMAC (Social, Mobile, Advanced analytics, Cloud) technologies. Many companies, both in consumer as well as supplier side, have started embracing the change. Companies have started creating designation like Chief Analytics Officer, Chief Data Officer and Chief Innovation Officer while IT suppliers have begun creating Center of Excellence (CoE) in these areas.

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 Enterprise Solutions only.

The performances of these segments have been separately reported in Note No.36 of the Consolidated Financial Statements of the Company and Note No.36 of 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. The detailed outlook is mentioned in business update and outlook in the Directors Report.

e. Risks and concerns

Risks that the Company faces are those which others in our Industry face. The Company monitors these risks consistently and periodically. Business risks faced by the Company include reduction in IT budgets of our customers, currency volatility, geo political risks as we operate across geographies, etc.

The risks and uncertainties include, but 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

As on March 31, 2014, only one employee is in the roles of the company.

h. Financial and performance highlights (Consolidated)

- Revenues:** Sales revenues for the year ended 31st March 2014 was ₹ 7.22 crores as compared to ₹ 51.73 crores for the same period last year.
- Total Expenses:** Total expenses for the year ended 31st March 2014 was ₹ 27.85 crores as compared to ₹ 64.67 crores for the previous year.
- Profit before exceptional and extra-ordinary items and Tax:** Profit before Tax was ₹ (20.63) crores for the year ended 31st March 2014 as compared to ₹ (12.35) crores for the previous year.
- Exceptional items:** It consists of profit on sale of Investment, Fixed Asset Impairment and others. The amount for the year ending 31st March 2014 was ₹ (6.20) Crores compare to ₹ (9.66) Crores for the previous year.
- Profit before extra- ordinary items and Tax:** Profit after tax was ₹ (14.42) crores for the year ended 31st March 2014 as compared to ₹ (2.70) crores for the previous year.
- Finance Costs:** Interest and finance charges for the year ended 31st March 2014 was ₹ 9.63 crores as compared to ₹ 8.45 crores for the previous year.
- The Company has Paid up share capital of ₹ 12.36 Crores, comprising of 1,23,65,006 equity shares of ₹ 10 each
- Long term borrowing outstanding was ₹ 36.08 Crores.
- Trade payables outstanding for the year was ₹ 0.29 Crores
- Fixed Assets (Tangible):** ₹ 45.03 crores as on 31st March 2014 as compared to ₹ 53.56 crores of the previous year.
- Trade receivable outstanding for the year was ₹ 0.37 Crores.

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.

BHAVESH RAMESHLAL CHAUHAN
Managing Director & CEO

Date: 23rd September 2014

Consolidated Financial Statements

1. Auditors' Report
 2. Balance Sheet
 3. Profit and Loss Account
 4. Notes
 5. Cashflow Statement
 6. Significant Accounting Policies
 7. 129 of the Companies Act, 2013
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CALIFORNIA SOFTWARE COMPANY LIMITED

Report On the Financial Statements

We have audited the accompanying Consolidated financial statements of **California Software Company Limited and its subsidiaries** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

The subsidiaries included in the consolidation are:

- I. CSWL, Inc. USA (100% equity held by Parent company) along with its subsidiaries
 - a) International Innovations Inc, USA (100% equity held by CSWL Inc)
 - b) Waldron Limited, Hong Kong (100% of voting stock held by CSWL Inc) and
 - c) AspireSoft Corporation (100% outstanding stock held by CSWL Inc)
- II. Aspire Communications Pvt Limited, India (100 % equity held by parent Company) along with its 100% subsidiary Aspire Peripherals Ltd

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

We did not audit the Financial Statements of CSWL, Inc. USA (consolidated basis with its subsidiaries) and it was individually audited by other auditors. 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.

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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the basis for qualified opinion paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date.

Emphasis of Matter

We draw attention to the following In the notes Accounts of the Parent Company:

- A) Note No.26 to the financial statement regarding Impairment of Fixed Assets amounting to ₹ 44,539,816/-
- B) Note No. 6 to the financial statement and Notes to Fixed Asset schedule regarding Change in Depreciation Policy of land & building and resultant loss amounting to ₹ 137,38,189/-
- C) Note No. 27 to the financial statement regarding restatement of receivables and payables write back of excess provision of ₹ 227,05,294
- D) Note No. 45 to the financial statement regarding Disinvestment of wholly owned subsidiary Inatech Infosolutions P Ltd resulting in a profit of ₹ 50,019,646/-
- E) Note no. 46 to the financial statement regarding unsecured loans from Associate companies amounting to ₹ 110,286,406/- .
- F) Account Receivable and payables are subject to confirmation. and
- G) Company's Overseas subsidiary CSWL Inc and Indian subsidiary Aspire Communications P Ltd and it subsidiary Aspire peripherals P Ltd have stopped their operations fully. CSWL Inc has initiated Liquidation proceedings.

Report On Other Legal and Regulatory Requirements

1. For the Consolidated Financial Statements, the Companies (Auditor's Report) Order, 2003 ("theOrder") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, is not applicable.
2. As required by Section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books .
 - c) the Balance Sheet, Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of Section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under Section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

CA K J Tomy BSc FCA

Partner

Membership No: 0 22768

For and on behalf of

Chennai
September 23, 2014

Tomy & Francis

Chartered Accountants

FRN: 010922S

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2014

Particulars	Note No.	31.03.2014 ₹	31.03.2013 ₹
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	1	123,650,060	123,650,060
(b) Reserve and surplus	2	(195,135,090)	(28,813,720)
(c) Money received against share warrants		-	-
Total		(71,485,030)	94,836,340
2. Share application money pending allotment			
		-	-
3. Non-Current liabilities			
(a) Long-term borrowings	3	360,806,819	432,656,000
(b) Deferred tax liabilities (Net)		-	683,527
(c) Other Long term liabilities		-	-
(d) Long-term provisions		-	-
Total		360,806,819	433,339,527
4. Current liabilities			
(a) Short-term borrowings	4	110,286,406	129,517,981
(b) Trade payables	5	2,943,683	540,493,677
(c) Other Current Liabilities	6	148,310,382	241,821,808
(d) Short-term provisions	7	4,446,959	42,423,816
Total		265,987,430	954,257,281
TOTAL		555,309,219	1,482,433,149
II. ASSETS			
1. Non-current assets			
(a) Fixed Assets			
(i) Tangible assets	8	450,349,901	535,593,086
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments	9	23,000	27,350,500
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances	10	56,151,252	74,456,614
(e) Other non-current assets	11	-	-
Total		506,524,153	637,400,201
2. Current assets			
(a) Current investments		-	-
(b) Inventories		-	-
(c) Trade receivable	12	3,654,079	665,482,052
(d) Cash and cash equivalents	13	15,015,199	109,030,257
(e) Short-term loans and advances	14	2,526,275	35,676,450
(f) Other current assets	15	27,589,513	34,844,189
Total		48,785,066	845,032,948
TOTAL		555,309,219	1,482,433,149

Notes referred to above and the notes thereon are an integral part of the consolidated balance sheet.

As per our report of even date attached

For TOMY & FRANCIS
Chartered Accountants

BHAVESH RAMESHLAL CHAUHAN
Managing Director & CEO

Dr. P J GEORGE
Director

JITENDRA KUMAR PAL
Company Secretary

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

T R RAMASAMY
Director

Chennai
23rd September, 2014

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2014

Particulars	Note No.	31.03.2014	31.03.2013
		₹	₹
I. Revenue from operations	16	46,356,553	433,588,693
II. Other Income	17	25,796,972	83,677,786
III. Total Revenue (I+II)		72,153,525	517,266,479
IV. Expenses:			
Employee benefits expense	18	31,398,838	264,455,544
Operation and Other Expenses	19	126,380,199	269,105,117
Finance Costs	20	96,262,570	84,451,247
Depreciation and amortization	21	24,438,152	22,784,408
Total Expenses		278,479,759	640,796,316
V Profit before exceptional and extraordinary items and tax (III-IV)		(206,326,234)	(123,529,837)
VI Exceptional Items	22	(62,038,104)	(96,575,578)
VII Profit before extraordinary items and Tax (V-VI)		(144,288,130)	(26,954,259)
VIII Extraordinary items		-	-
IX Profit before Tax (VII-VIII)		(144,288,130)	(26,954,259)
X Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	580,905
(3) Current tax expense relating to prior years		475,360	-
Total		475,360	580,905
XI Profit / (Loss) for the period from continuing Operations (IX-X)		(144,763,490)	(27,535,164)
XII Profit/(Loss) from discontinuing operations		-	-
XIII Tax expense of discontinuing operations		-	-
XIV Profit / (loss) from discontinuing operations (after tax) (XII-XIII)		-	-
XV Profit / (Loss) for the period (XI+XIV)		(144,763,490)	(27,535,164)
Less Minority Interest		-	-
XV Profit / (Loss) for the period (XI+XIV)		(144,763,490)	(27,535,164)
XVI Earnings per equity share:			
(1) Basic		(11.71)	(2.23)
(2) Diluted		(11.71)	(2.23)

Notes referred to above and the notes thereon an integral part of the consolidated balance sheet.

As per our report of even date attached

For TOMY & FRANCIS
Chartered Accountants

BHAVESH RAMESHLAL CHAUHAN
Managing Director & CEO

Dr. P J GEORGE
Director

JITENDRA KUMAR PAL
Company Secretary

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

T R RAMASAMY
Director

Chennai
23rd September, 2014

CONSOLIDATED NOTES ON ACCOUNTS

	As at 31-Mar-14	As at 31-Mar-13
	₹	₹
1 SHARE CAPITAL		
A AUTHORISED CAPITAL		
15,000,000 Equity Shares of ₹ 10/- each with equal voting rights	150,000,000	150,000,000
ISSUED CAPITAL		
123,65,006 Equity Shares of ₹ 10/- each with equal voting rights	123,650,060	123,650,060
SUBSCRIBED, CALLED UP AND PAID UP CAPITAL		
123,65,006 Equity Shares of ₹ 10/- each with equal voting rights Fully Called up and paid up. (The paid up share capital includes shares worth ₹ 7,24,920 which were issued by the company in October 1994 for consideration other than cash)	123,650,060	123,650,060
2 RESERVE AND SURPLUS		
A CAPITAL RESERVE		
Opening balance	206,250	206,250
Add: Additions during the year	-	-
Less: Utilised / transferred during the year	-	-
Closing balance	206,250	206,250
Foreign Currency Translation reserve	(19,218,066)	(39,965,414)
Add: Current Year	46,701,992	20,747,348
Closing balance	27,483,926	(19,218,066)
B SECURITIES PREMIUM ACCOUNT		
Opening balance	633,084,932	633,084,932
Add : Premium on shares issued during the year	-	-
Less : Utilised during the year for:	-	-
Closing balance	633,084,932	633,084,932
C GENERAL RESERVE		
Opening balance	65,864,252	65,864,252
Add: Transferred from surplus in Statement of Profit and Loss	-	-
Less: Utilised / transferred during the year for:	-	-
Closing balance	65,864,252	65,864,252
D SURPLUS / (DEFICIT) IN STATEMENT OF PROFIT AND LOSS		
Opening balance	(708,751,089)	(681,215,645)
Add: Profit / (Loss) for the year	(144,763,490)	(27,535,164)
Less: Surplus of disinvested subsidiary(Inatech Infosolutions P Ltd)	68,053,621	-
Less Proposed Dividend	-	-
Tax on Dividend	-	280
Closing balance	(921,568,200)	(708,751,089)
Total	(195,135,090)	(28,813,720)

CONSOLIDATED NOTES ON ACCOUNTS

	As at 31-Mar-14	As at 31-Mar-13
	₹	₹
3 LONG-TERM BORROWINGS		
Term loans		
From banks		
Secured		
Canara Bank Building Term Loan	360,806,819	432,656,000
Total	360,806,819	432,656,000
4 SHORT-TERM BORROWINGS		
Loans repayable on demand		
From banks		
Secured		
Canara Bank PCFC Loan	-	69,500,000
Chemoil AMS Loan Account	55,000,000	55,000,000
Chemoil Advanced Management Services Pvt Ltd	8,306,484	-
Chemoil Information Services Pvt Ltd	21,500,000	-
Chemoil International Pte Ltd	3,426,775	-
Chemoil Europe B.V	22,053,147	-
Notes payable to related parties	-	5,017,981
Total	110,286,406	129,517,981
5 TRADE PAYABLES	2,943,683	540,493,677
6 OTHER CURRENT LIABILITIES		
(a) Current maturities of long-term debt	62,500,000	60,000,000
(b) Term Loan Instalments overdue for payment	10,625,000	-
(c) Interest accrued but not due on borrowings	6,363,989	-
(d) Interest accrued and due on borrowings	12,277,228	-
(e) Income received in advance (Unearned revenue)	-	26,336,377
(f) Unpaid dividends	215,161	308,551
(g) Rent Deposits	23,723,880	27,979,740
(h) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	-	-
TDS Payable	36,801	4,922,326
CST&VAT	9,153	-
EPF&ESI Payable	-	963,300
TNLWF Payable	-	1,400
Professional Tax Payable	-	188,994
(i) Consideration Payable to Aspire Share Holders	-	(48,247)
(j) Other expenses Payable	32,559,170	18,057,218
(k) Lease Equalization Liability Account	-	102,667
(l) Advances from customers	-	27,981,423
(m) Others (specify nature)	-	75,027,779
(n) Dividend Tax	-	280
Total	148,310,382	241,821,808
7 SHORT-TERM PROVISIONS		
IT Provision	4,446,959	28,585,319
Provision for employee benefits	-	13,838,498
Total	4,446,959	42,423,816

CONSOLIDATED NOTES ON ACCOUNTS

8 TANGIBLE ASSETS	Cost as on				Depreciation			WDV As on				
	Particulars	as on 31.03.2013	Additions For the Period	Deductions	as on 31.03.2014	as on 31.03.2013	For the Period	Impairment	Deductions	as on 31.03.2014	31.03.2014	31.03.2013
Computer & accessories	159,485,270	141,852	40,570,580	119,056,543	150,056,600	71,643	-	31,211,428	118,916,815	139,729	9,428,670	
Office Equipment	4,882,865	-	4,188,663	694,202	3,059,827	28,723	-	2,657,024	431,526	262,676	1,823,038	
Furniture & Fittings	134,826,995	1,298,000	1,014,541	135,110,455	118,213,683	2,743,408	-	374,466	120,582,625	14,527,830	16,613,313	
Plant & Machinery	48,348,505	-	-	48,348,505	10,764,013	37,584,496	-	-	48,348,505	0	37,584,492	
Fixtures & Fittings	7,856,199	-	-	7,856,199	2,198,878	5,657,320	-	-	7,856,199	(0)	5,657,321	
Vehicle	870,634	-	-	870,634	558,583	82,484	-	-	641,066	229,565	312,052	
Building	556,546,398	-	-	556,546,398	98,546,399	22,809,895	-	-	121,356,294	435,190,102	457,999,998	
Books	-	-	-	-	-	-	-	-	-	-	-	
Land	-	-	-	-	-	-	-	-	-	-	-	
Proprietary Software	-	-	-	-	-	-	-	-	-	-	-	
Leasehold improvement	6,105,231	-	6,105,231	-	203,508	-	-	203,508	-	-	5,901,723	
Airconditioner	277,337	-	277,337	-	4,861	-	-	4,861	-	-	272,476	
Goodwill	2,928,456	-	2,928,456	-	-	-	-	(0)	0	(0)	2,928,456	
Total	922,127,890	1,439,852	55,084,807	868,482,935	383,606,351	68,977,968	-	34,451,286	418,133,030	450,349,901	538,521,542	
											Less Goodwill eliminated on Consolidation	
											(0)	2,928,456
											450,349,901	535,593,086

Note: 1. Current year Depreciation Includes Impairment cost as follows

Plant & machinery	37,584,496
Electrical Fittings	5,657,320
Furniture & Fittings	1,298,000
Total	44,539,816

2. Building Depreciation is charged assuming a remaining life period of 25 years from the date of valuation on 17/01/2013. Additional depreciation charged due to this change during the year is ₹ 137,38,189/-

3. Depreciation in 2012 -13 on land & building Includes Impairment of ₹ 21,218,585/- and is shown as an exceptional item.

	As at 31-Mar-14	As at 31-Mar-13
	₹	₹
9 NON CURRENT INVESTMENTS (AT COST)		
Investment in Unquoted Equity Shares		
In Subsidiaries		
Impelsys	-	27,327,500
Trust money in California Software Employees' Welfare Trust	17,500	17,500
NSC	5,500	5,500
Total	23,000	27,350,500
10 LONG-TERM LOANS AND ADVANCES		
(a) Security deposits		
Secured, considered good		
Unsecured, considered good	1,668,625	16,679,085
Doubtful	-	-
	1,668,625	16,679,085
Less: Provision for doubtful deposits	-	-
	1,668,625	16,679,085
(b) Loans and advances to related parties (Refer Note)		
Secured, considered good	3,405,110	-
Unsecured, considered good	-	10,931,000
Doubtful	-	-
	3,405,110	10,931,000
Less: Provision for doubtful loans and advances	-	-
	3,405,110	10,931,000
(i) Other loans and advances (specify nature)		
Secured, considered good	-	21,247
(f) Advance income tax # (net of provisions ₹ 41519871 (As at 31 March, 2011 ₹ 41519871)		
- Unsecured, considered good	51,077,517	46,825,282
Total	56,151,252	74,456,614

CONSOLIDATED NOTES ON ACCOUNTS

	As at 31-Mar-14	As at 31-Mar-13
	₹	₹
11 OTHER NON CURRENT ASSETS		
Minority Interest	-	-
	-	-
12 TRADE RECEIVABLES		
Unsecured Considered Good	3,654,079	665,482,052
Considered Doubtful	-	85,796,777
	3,654,079	751,278,829
Less: Provision for doubtful debts	-	85,796,777
Sub Total	3,654,079	665,482,052
Grand Total	3,654,079	665,482,052
13 CASH AND CASH EQUIVALENTS		
(a) Cash on hand	61,983	1,091,538
(i) In current accounts	4,626,171	25,998,632
(ii) In EEFC accounts	8,635,239	8,105,021
(iii) In deposit accounts	-	337,625
(iv) In earmarked accounts	-	-
- Unpaid dividend accounts	211,508	305,334
Balances held as margin money or security against borrowings, guarantees and other commitments	1,480,298	73,192,107
Total	15,015,199	109,030,257
14 SHORT-TERM LOANS AND ADVANCES		
(a) Loans and advances to employees		
Secured, considered good		
Unsecured, considered good	23,303	10,831,006
Doubtful	-	-
(b) Prepaid expenses - Unsecured, considered good (For e.g. Insurance premium, Annual maintenance contracts, etc.)	46,525	22,356,393
(c) Balances with government authorities	-	-
(i) CENVAT credit receivable	-	-
(ii) VAT credit receivable	306,718	2,036,570
(iii) Service Tax credit receivable	2,149,729	452,481
Total	35,676,450	33,924,358

CONSOLIDATED NOTES ON ACCOUNTS

	As at 31-Mar-14	As at 31-Mar-13
	₹	₹
15 OTHER CURRENT ASSETS		
(a) Accruals		
(i) Interest accrued on deposits	-	490,487
(ii) Interest accrued on investments	-	-
(iii) Interest accrued on trade receivables	-	-
Advance to Suppliers	-	-
(b) Others		
(i) Insurance claims	-	-
(ii) Receivables on sale of investments	-	-
(iii) Dividend Receivable	-	-
(iv) Others (specify nature)	-	350,885
Rent Receivable	49,707,130	56,120,434
Less Provisions	22,117,617	22,117,617
	27,589,513	34,002,817
Others	-	-
Total	27,589,513	34,844,189
16 REVENUE FROM OPERATIONS		
Sale of products	16,451,116	131,263,863
Sale of services	29,905,437	302,324,831
Total	46,356,553	433,588,693
17 OTHER INCOME		
Other non-operating income comprises:		
Rental income	23,618,741	39,815,205
Interest	1,980,442	9,177,758
Exchange Gain / Loss	-	33,692,371
Profit on Disposal of Assets	-	27,381
Miscellaneous income	197,789	965,071
Total - Other non-operating income	25,796,972	83,677,786
18 EMPLOYEE BENEFITS EXPENSE		
Salaries & Allowances	28,701,516	245,386,522
Contribution to Provident and other funds	2,460,687	8,643,950
Staff Welfare Expenses	236,635	10,425,073
Total	31,398,838	264,455,544

CONSOLIDATED NOTES ON ACCOUNTS

	As at 31-Mar-14	As at 31-Mar-13
	₹	₹
19 OPERATION AND OTHER EXPENSES		
Project Expenses - Bought outs	45,987,097	23,530,510
Electricity Charges	1,604,944	7,853,253
Rent	9,112,072	24,883,452
Rates & taxes	519,804	3,015,427
Insurance	1,168,276	4,904,733
Repairs & Maintenance - Buildings	4,148,416	4,131,404
Repairs & Maintenance - Plant and Machinery	1,310,688	1,967,715
Repairs & Maintenance - Others	-	819,616
Communication Expenses	1,045,645	7,486,800
Travelling Expenses	4,544,983	46,878,299
Data Circuit Expenses	782	2,320,076
Audit expenses	1,269,720	5,646,625
Other Audit expenses	593,260	-
Service Charges	-	101,596
Legal ,Professional and Secretarial Expenses	27,290,608	48,149,491
Exchange difference (Net)	50,562,610	29,158,327
Provision for doubtful debts and Advances	(28,536,201)	14,274,533
Excess TDs written off	482,644	
Other Expenses	230,594	2,204,472
Loss on sale of assets	-	2,471,965
Commission	1,537,995.04	4,261,122
Marketing Expenses	-	17,765,712
Bank Charges	512,002	3,692,050
Printing And Stationery	-	640,815
Staff Traing and Recruitment	-	7,139,918
Hire Charges	-	1,756,854
Office Expenses	2,994,259	3,211,291
Security Charges	-	411,160
Consumables	-	427,900
Total	126,380,199	269,105,117
20 FINANCE COSTS		
Interest on Term Loan	84,989,902	68,569,733
Interest on Working Capital Loan	3,642,403	8,903,095
Interest Others	7,630,265	6,978,419
Total	96,262,570	84,451,247
21 DEPRECIATION & AMORTIZATION EXPENSES		
Depreciation	24,438,152	22,784,409
Amortisation Expenses	-	-
Total	24,438,152	22,784,409

CONSOLIDATED NOTES ON ACCOUNTS

	As at 31-Mar-14	As at 31-Mar-13
	₹	₹
22 EXCEPTIONAL ITEMS		
Profit on Sale of Investment	(95,214,646)	-
Income from settlement of Calsoft labs	0	(19,239,922)
Service tax of prior years reversed to consultancy	0	5,865,130
Other exceptional income	(11,363,274)	
Restatement of payables	0	(87,037,844)
Profit on Sale Transfer of Business assets	0	(17,381,527)
Fixed Asset Impirement	44,539,816	21,218,585
Total	(62,038,104)	(96,575,578)

	(in ₹)	
	March 31, 2014	March 31, 2013
23 Contingent Liabilities		
California Software company Limited		
a. Guarantees given on behalf of other companies	Nil	Nil
b. Claims against the company not acknowledged as debt in respect of certain tax matters which are subjudice		
a) Income Tax	59,220,145	59,859,792
b) Sales Tax / VAT	648,228	648,228
c) Service Tax	3,552,977	852,310
24 Other Financial Information		
California Software company Limited		
a) Outstanding Bank Guarantees	1,480,298	650,000
b) Reimbursement of travel expenses to Directors	-	1,344,303
c) Sitting fees paid / payable to Directors	50,000	67,500

- 25** Taking into consideration the post sale scenario of its OPD division and considering the past performance of the subsidiaries company in the year 2011-12 decided to reassess the value of its investment in subsidiaries. Based on this company decided to strike off East Point Solutions Ltd accompany yet to commence business and also to withdraw from the Joint Venture Agreement with Calspence, Srilanka. It was also decided to write off excess carrying value over the book value of its Indian subsidiaries. The year under report also the management has decided to Impair the investment in its overseas subsidiary CSWL Inc (The company has stopped all its operations) by writing off excess value over its book value and to impair the Investment in Preference shares of Inatech Info solutions P Ltd by writing off excess carrying value over the face value. Total Investment write off included in exceptional items is as given below:

Years	2013-14	2012-13	2011-12
Inatech Info Solutions P Ltd	NIL	68,132,886	338,754,000
Aspire Communications Ltd	NIL	NIL	37,266,697 *
East Point Solutions Ltd	NIL	NIL	500,000
Calspence, Srilanka	NIL	NIL	794,062
CSWL Inc	NIL	105,923,963	
Total	NIL	174,056,849	377,314,759

* The above amount includes ₹ 6,819,000 paid to former shareholders Aspire Communications Ltd. This payment is in excess of the Share Purchase Agreement (SPA) entered with outside shareholders.

CONSOLIDATED NOTES ON ACCOUNTS

26 IMPAIRMENT OF FIXED ASSETS

Land and Building was written down by ₹ 21,218,585/- in 2012-13 based on the realizable value of the land and building (As valued by Valuer on 17.01.2013). Based on the above valuation the management has impaired the value of Plant & Machinery and Electrical Fittings which are integral part of the above property and are having no other realizable value separately, as given below

Plant & Machinery	3,75,84,496
Electrical Fittings	56,57,320

Further as part of the settlement with one of the tenants company has acquired Furniture & fixtures for ₹ 12,98,000/-. This has also been impaired fully.

Total impairment cost of ₹ 445,39,816/- is over and above the regular depreciation charged during the year and hence taken to Statement of Profit and Loss as exceptional item.

27 During the year the parent company reassessed its Trade receivables and payables accumulated over the years and restated them on a realistic basis. On the basis of above, net write off of bad Debts, other receivables, old Deposits and payables were written off for ₹ 269,10,239/- against the existing provision. Excess Provision of ₹ 227,05,294/- was written back to profit and Loss Account .

28 Rent receivable is amounting to ₹ 497, 07,130/- (PY 561, 20,434/-) against which a provision of ₹ 22,117,617/- has been made.

29 The management of CSWL Inc is implementing complete liquidation of the company with effect from July 1, 2012. In accordance with this proposed plan company has disposed of it fixed assets and receivables and payables dues from and dues to related parties only.

30 Aspire Communications P ltd and Aspire Peripherals P ltd, have also stopped their entire operations.

31 INTANGIBLE ASSET

There are no Intangible assets belonging to the group.

32 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.

27 DEFERRED TAXATION

In view of the considerable accumulated losses in the group, no company has considered deferred tax.

33 ACQUISITIONS & DISINVESTMENT

California Software Company Ltd

a) During the year, 21-02 -2014 the company had disinvested its entire holding in wholly owned subsidiary Inatech Info Solutions P Ltd by transferring the shares to Chemoil International pte ltd, Singapore a company from parent group. Share purchase agreement between two companies dated 23/12/2013 was approved by the Board of Directors in the Board Meeting held on same date. By the above SPA, the purchase consideration was fixed at ₹ 0.48/- per each of 1698985 shares of ₹ 1/- held by the company in Inatech Info Solutions P Ltd. The valuation of shares was done by an outside valuer. Based on above total purchase consideration received was ₹ 82,28,458.37.

As on the date of transfer Company's books of accounts had a net payable amount of ₹ 58,790,172/- to Inatech Info Solutions P Ltd. This amount was written back and is considered as a part of Purchase consideration resulting in a total net profit of ₹ 50,019,646/- on sale of Investment and taken to profit and loss Account as an Exceptional item.

The carrying value of Investment in Inatech Info Solutions P Ltd was impaired by the management by ₹ 406,886,886/- in the preceding two years.

34 In 2012-13, as a part of group strategy Company has transferred its remaining Indian operations including entire employees and contracts to its wholly owned subsidiary Inatech Infosolutions Private Limited. As part of this following Fixed Assets were transferred to Inatech Computers & Licence fee at Written Down value ₹ 635,634/- Product Solutions as per valuation ₹ 375,000/-

Transfer of Business Assets has resulted in a profit of ₹ 3,422,968/- and was taken to the profit and loss account as an extraordinary item of the year 2012-13.

Over the years the company has made a provision for gratuity ₹ 11,030,102/- . As the entire employees were transferred this liability was taken to profit and loss account as extraordinary income in 2012-13.

35 UNSECURED LOANS FROM ASSOCIATE COMPANIES

Company has taken unsecured loans as given below form various companies from its parent Group as given below:

SI No.	Name of the company	As on 31/03/2014 ₹	As on 31/03/2013 ₹
1.	Chemoil Advanced Management Services Pvt Ltd	5,50,00,000	5,50,00,000
2.	Chemoil Advanced Management Services Pvt Ltd	83,06,484	0
3.	Chemoil Information Services Pvt Ltd	2,15,00,000	0
4.	Chemoil International Pte Ltd	34,26,775	0
5.	Chemoil Europe B.V	2,20,53,147	0
Total		11,02,86,406	5,50,00,000

Interest is being provided only on first three loans as per the terms of agreement between the companies. However no interest is being provided on Loans (4) and (5) from overseas companies as there is no loan agreement between these companies.

CONSOLIDATED NOTES ON ACCOUNTS**36 SEGMENT REPORTING**

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). As a result of the sale of OPD division of the company only single segment (ES) had transactions during the year.

Primary Segment		(₹ in lakhs)						
Particulars		TS	ES	IMS	SI	Inter Segment	Un allocated	Total
1. Segment Revenue	CY	0	463.56	0	0	0	0	463.56
	PY	0	4335.88	0	0	0	0	4335.88
Less: Inter Segment Revenue		0	0	0	0	0	0	Nil
		0	0	0	0	0	0	(Nil)
Net Sales/ Income from Operations	CY	0	463.56	0	0	0	0	463.56
	PY	0	4335.88	0	0	0	0	4335.88
2. Segment Results	CY	0	-1114.22	0	-0	0.00		-1114.22
	PY	0	-999.72	0	-0	0.00		-999.72
Less: 1. Interest & Finance Charges	CY	0	0	0	0	0	962.63	962.63
	PY	0	0	0	0	0	844.51	844.51
2. Other Unallocable Expenditure, Net of Un-allocable Income	CY	0	0	0	0	0	-13.59	-13.59
	PY	0	0	0	0	0	-608.93	-608.93
Profit before Tax & exceptional items	CY	0	-1114.22	0	-0	0.00	-949.04	-2063.26
	PY	0	-999.72	0	-0	0.00	-235.58	-1235.30

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.

	2013-14	2012-13
	₹	₹

37 Disclosure under AS 15 revised on Employee benefits**A) California Software co Ltd**

The company has only one employee as at the year end for whom PF is being paid regularly.

CONSOLIDATED NOTES ON ACCOUNTS

38 RELATED PARTY DISCLOSURE

A) 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 Chemoil Energy Limited, Hong Kong
b) Key management personnel	Mr. Bhavesh Rameshlal Chauhan
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 * GPS Chemoil LLC (FZC) U.A.E
Subsidiaries of the abovementioned fellow subsidiaries	Chemoil Advanced Management Services Pvt. Ltd., India * Inatech InfoSolutions Limited Inatech Solutions UK Inatech ME Inatech Solutions Europe Ltd

2013-14

2012-13

₹

₹

B) 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.			
1. Inatech Info Solutions P Ltd			
Sale of Services	32,229,199	18,452,020	
Trade payables	3,102,110	87,619,296	
Write off payables as part of Sale consideration	58,790,172	-	
Investment Balance	-	16,998,985	
2. Inatech Solutions UK			
Payables	2,514,246	-	
Payable Write off	3,170,729	-	
3. Inatech ME			
Loans & Advances	3,405,110	-	
4. Chemoil Advanced management Services P Ltd			
Reimbursement of expenses (electricity Charges)	2,489,357	-	
Interest On loan	6,187,499	5,187,329	
Unsecured Loans	63,306,484	55,000,000	
Other Payables	17,090,365	8,848,973	
Write off	10,33,562		
5. Chemoil Europe BV			
Unsecured Loans	22,053,147	-	
6. Chemoil Energy Ltd			
Payables	2,134,920	-	
7. Chemoil International Pte Ltd			
Unsecured Loans	3,426,775	-	
8. Chemoil Information Services P Ltd			
Unsecured Loans	21,500,000	-	
9. Chemoil Aviation Write off	964,029	-	
10. Inatech Solutions, Egypt Write off	325,748	-	

	2013-14	2012-13
	₹	₹
Of CSWL Inc and its subsidiaries		
Inatech America		
Rereimbursement of expenses	1,633,046	1,633,046
Trade Receivable	-	1,633,046
Chemoil Corporation		
Advances	2,018,710	1,013,874
Payable advances Written back	2,018,710	-
Chemoil International pte ltd		
Advances	13,283,413	-
Payable advances Written back	13,283,413	-
Calsoft Labs Lic		
Receivable balances written off	-	1,948,145
Sale of Investments	75,325,000	-
Trade payables	-	75,325,000
Trade Payables written back	-	31,197,807
Inatech Info Solutions P ltd		
Receivable balance Written off	34,023,579	2051732
Loan Balances Written off	12,052,000	-
Trade payables	-	142,906,348
Trade Receivables	-	46,075,579

39 Earnings per share

Basic Earnings Per Share	March 31, 2014	March 31, 2013
	₹	₹
Weighted average - No. of shares	12,365,006	12,365,006
Profit after Tax	(144,763,490)	(27,535,164)
Basic Earnings per Share	(11.71)	(2.23)

40 Regrouping and rearranging of figures

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

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED

	March 31, 2014	March 31, 2013
		(in ₹)
CASH FLOW FROM OPERATIONS		
Net profit before tax and extraordinary and prior period items	(144,288,130)	(26,954,259)
Adjustment for:		
Loss on disposal of asset	-	2,471,965
Profit on sale of asset	-	(27,381)
Depreciation and Impirements	68,977,968	44,002,993
Deferred expenses written off	-	-
Interest Income	(1,980,442)	(9,177,758)
Interest expense	96,262,570	84,451,247
Investment Write off	-	-
Transfer to reserves		
Minority Interest changes		
TOTAL	18,971,966	94,766,808
Adjustment for:		
Current Assets, Loans and Advances	720,538,186	(412,915,639)
Current Liabilities & Provisions	(669,038,277)	333,371,404
Increase/ Decrease in net current asset	51,499,909	(79,544,235)
Cash generated from operations	70,471,876	15,222,573
Current Taxation	-	-
Deferred Taxation		
Other Items to be adjusted	-	-
NET CASH FROM OPERATIONS	70,471,875	15,222,572
CASH FLOW FROM INVESTING		
Purchase of fixed Assets net	(1,439,852)	(17,944,638)
Cash generated from sale of asset	-	28,875,369
Deferred tax Asset	-	-
Assets disposed on disinvestment	17,705,070	-
Change in Investments	27,327,500	40,077,500
Interest Income	1,980,442	9,177,758
NET CASH USED FOR INVESTING	45,573,160	60,185,988
CASH FLOW FROM FINANCING		
Loans borrowed (Net of repayment)	(71,849,181)	(93,763,314)
Deferred tax liability	(683,527)	580,905
Increase in unsecured Loans	(19,231,574)	39,378,424
Increase in capital	-	-
Increase in Share premium	-	-
Increase / (Decrease) in other reserves	(21,826,990)	(28,900,224)
Minority Interest changes	-	-
Dividend Tax	-	-
Interest Expense	(96,262,570)	(84,451,247)
Dividend	-	-
NET CASH FROM FINANCING	(209,853,843)	(167,155,455)
Net increase/ decrease in cash or cash equivalents	(93,808,808)	(91,746,896)
Cash & Cash equivalents at the beginning of the year	109,030,257	200,777,153
Cash & Cash equivalents at the close of the year	15,221,449	109,030,257

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

For TOMY & FRANCIS
Chartered Accountants

BHAVESH RAMESHLAL CHAUHAN
Managing Director & CEO

Dr. P J GEORGE
Director

JITENDRA KUMAR PAL
Company Secretary

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

T R RAMASAMY
Director

Chennai
23rd September, 2014

SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of Financial Statements

The consolidated financial statements consist of:

- o California Software Company Ltd (Parent company incorporated in India)
- o CSWL, Inc., incorporated in USA (100% Equity held by parent company) and its subsidiaries consisting of
 - International Innovations Inc, USA (100% Equity held by CSWL Inc.,)
 - " 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%).
- o Aspire Communications Private limited (Aspire) incorporated in India, a 100% subsidiary of parent company and its 100% subsidiary Aspire peripherals Private Ltd, Mysore.

All these financial statements have been prepared under the historical cost convention and comply with accounting standards in all material respects. Of the above CSWL Inc (under liquidation), Aspire Communications P Ltd and its subsidiary Aspire peripherals P Ltd have stopped their operations entirely. During the year Parent company has disinvested Inatech Infosolutions Private Limited, Bangalore and hence the financial statements do not include those companies results.

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.

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.

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.

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. CSWL Inc, Aspire Communications P Ltd and its subsidiary Aspire peripherals P Ltd is not having any fixed 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 2014, none of the group companies were holding inventory.

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

A) California Software company Limited

The company has transferred its entire employees except one in the administrative office before the end of previous year. PF is being paid as per rules

B) CSWL Inc, USA

The company has stopped its operations and is having no employees.

C) Aspire communications P Ltd and Aspire Peripherals P Ltd

did not have any employees during the period.

13. 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 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.

In view of the substantial losses / stoppage of operations, parent company and subsidiaries except Inatech Infosolutions Limited has not considered deferred tax effect.

STATEMENT PURSUANT TO SECTION 129 OF THE COMPANIES ACT, 2013 RELATING TO SUBSIDIARY COMPANIES

Sl. No.	Name of the Subsidiary Company	Country of Incorporation	Reporting Currency	Exchange rate	Share capital	Reserves	Total Assets	Total Liabilities	Investments other than Subsidiary	Total Revenues - period ended March 31, 2013	Profit / (loss) before taxation	Provision for taxation	Profit/(loss) after taxation	Proposed Dividend
1	CSWL Inc & its subsidiaries	USA	US Dollar	₹ 59.863 B/S ₹ 60.889 P&L	57.84	(19.20)	38.95	38.95	Nil	5.71	5.34	0.27	5.07	
2	Aspire communication Pvt Ltd & its subsidiaries	India	Indian Rupee	NA	2.00	0.57	4.79	4.79	0.0005	0.016	(0.0894)	Nil	(0.094)	

* NA: Not applicable. Figures in bracket indicate losses. All Balance Sheet items reported are as at March 31, 2014

Profit and Loss account items are for the year/period ended March 31, 2014 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 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, 2014 for Balance Sheet items and average rate during the year 2013-14 for profits & Loss account items
- CSWL Inc for the year and previous year profit/loss figures reported in dollars converted in table to ₹ 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, Hong (Waldron-100% held by CSWL Inc.)
 - AspireSoft Corporation (100% equity held by CSWL).
- Aspire Communication Pvt Ltd in the year included the results of its 100% wholly owned subsidiary-Aspire Peripherals Ltd.

Bhavesh Rameshlal Chauhan
Managing Director and CEO

Dr. P J George
Director

T R Ramasamy
Director

Chennai
23rd September 2014

Jitendra Kumar Pal
Company Secretary

Standalone Financial Statements

1. Auditors' Report
 2. Balance Sheet
 3. Profit and Loss Account
 4. Notes
 5. Cashflow Statement
 6. Significant Accounting Policies
 7. 129 of the Companies Act, 2013
-

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CALIFORNIA SOFTWARE COMPANY LIMITED

Report On the Financial Statements

We have audited the accompanying financial statements of **California Software Company Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the basis for qualified opinion paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date

Emphasis of Matter

We draw attention to the following:

- (i) Note No.26 to the financial statement regarding Impairment of Fixed Assets amounting to ₹ 44,539,816/-
- (ii) Note No. 6 to the financial statement and Notes to Fixed Asset schedule regarding Change in Depreciation Policy of land & building and resultant loss amounting to ₹ 137,38,189/-
- (iii) Note No. 27 to the financial statement regarding restatement of receivables and payables write back of excess provision of ₹ 227,05,294
- (iv) Note No. 45 to the financial statement regarding Disinvestment of wholly owned subsidiary Inatech Infosolutions P Ltd resulting in a profit of ₹ 50,019,646/-
- (v) Note no. 46 to the financial statement regarding unsecured loans from Associate companies amounting to ₹ 110,286,406/- .
- (vi) Account Receivable and payables are subject to confirmation. and
- (vii) Company's Overseas subsidiary CSWL Inc and Indian subsidiary Aspire Communications P Ltd and it subsidiary Aspire peripherals P Ltd have stopped their operations fully. CSWL Inc has initiated Liquidation proceedings.

Report On Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books .
 - c) the Balance Sheet, Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of Section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

CA K J Tomy BSc FCA
Partner

Membership No: 0 22768
For and on behalf of

Tomy & Francis
Chartered Accountants
FRN: 010922S

Chennai
September 23, 2014

ANNEXURE TO 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, 2014)

- 1 (a) The company has maintained proper records showing full particulars including quantitative details and situation of its 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. However management has impaired fixed assets by ₹ 44,539,816/- .
- 2 (a) The Company has not granted any loans to group or associate companies during the year and there are no outstanding from previous years and hence Clauses (a), (b) and (c) are not applicable.
(d) The Company has taken unsecured loans, from associate companys covered in the register maintained under Section 301 of the Act amounting to ₹ 11,02,86,406/-. In our opinion the terms and conditions are not prima facie prejudicial to the interest of the company.
- 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 has not accepted any deposit from Public hence the provisions of Sections 58A and 58AA of the Act and the rules framed there under, do not apply to the company.
- 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 other than those mentioned in Note 41.
- 9 The Company has accumulated losses amounting to ₹ 96,93,96,503/- as at March 31, 2014 Accumulated loss is more than the networth of the company. Company has incurred cash losses during the year ended on that date and in the immediately preceding two financial years.
- 10 According to the records of the Company examined by us and the information and explanation given to us, the Company has defaulted in repayment of its dues to Canara Bank Term Loan and as at the balance sheet date total dues amounted to ₹ 229,02,228/-,
- 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.

CA K J Tomy BSc FCA
Partner
Membership No: 0 22768
For and on behalf of

Tomy & Francis
Chartered Accountants
FRN: 010922S

Chennai
September 23, 2014

STANDALONE BALANCE SHEET AS AT 31ST MARCH 2014

Particulars	Note No.	31.03.2014 ₹	31.03.2013 ₹
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	1	123,650,060	123,650,060
(b) Reserve and surplus	2	(270,241,079)	(84,680,808)
(c) Money received against share warrants		-	-
Total		(146,591,019)	38,969,252
2. Share application money pending allotment		-	-
3. Non-Current liabilities			
(a) Long-term borrowings	3	360,806,819	432,656,000
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long term liabilities		-	-
(d) Long-term provisions		-	-
Total		360,806,819	432,656,000
4. Current liabilities			
(a) Short-term borrowings	4	110,286,406	124,500,000
(b) Trade payables	5	391,829,426	471,467,982
(c) Other Current Liabilities	6	172,944,767	140,993,120
(d) Short-term provisions	7	-	-
Total		675,060,600	736,961,102
TOTAL		889,276,400	1,208,586,355
II. ASSETS			
1. Non-current assets			
(a) Fixed Assets			
(i) Tangible assets	8	450,349,901	517,888,022
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments	9	338,358,312	355,357,297
(c) Deferred tax assets (net)	10	-	-
(d) Long-term loans and advances	11	56,151,252	49,087,799
(e) Other non-current assets		-	-
Total		844,859,465	922,333,118
2. Current assets			
(a) Current investments	12	-	-
(b) Inventories		-	-
(c) Trade receivable	13	2,011,205	159,803,979
(d) Cash and cash equivalents	14	13,561,727	84,722,407
(e) Short-term loans and advances	15	1,254,490	6,959,425
(f) Other current assets	16	27,589,513	34,767,426
Total		44,416,935	286,253,238
TOTAL		889,276,400	1,208,586,355

Notes referred to above from an integral part of the accounts
This is the Balance Sheet referred to in our report of even date.

For TOMY & FRANCIS
Chartered Accountants

BHAVESH RAMESHLAL CHAUHAN
Managing Director & CEO

Dr. P J GEORGE
Director

JITENDRA KUMAR PAL
Company Secretary

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

T R RAMASAMY
Director

Chennai
23rd September, 2014

STANDALONE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2014

Particulars	Note No.	31.03.2014	31.03.2013
		₹	₹
I. Revenue from operations	17	46,356,553	152,905,015
II. Other Income	18	25,643,258	48,648,697
III. Total Revenue (I+II)		71,999,810	201,553,712
IV. Expenses:			
Employee benefits expense	19	31,398,838	72,409,488
Operation and Other Expenses	20	110,940,341	106,846,558
Finance Costs	21	96,262,570	84,286,931
Depreciation and amortization Expenses		24,438,152	14,051,401
Total Expenses		263,039,901	277,594,378
V Profit before exceptional and extraordinary items and tax (III-IV)		(191,040,091)	(76,040,666)
VI Exceptional Items	22	(5,479,830)	164,562,850
VII Profit before extraordinary items and Tax (V-VI)		(185,560,261)	(240,603,516)
VIII Extraordinary items		-	-
IX Profit before Tax (VII-VIII)		(185,560,261)	(240,603,516)
X Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
(3) Current tax expense relating to prior years		-	-
Total		-	-
XI Profit / (Loss) for the period from continuing Operations (IX-X)		(185,560,261)	(240,603,516)
XII Profit/(Loss) from discontinuing operations		-	-
XIII Tax expense of discontinuing operations		-	-
XIV Profit / (loss) from discontinuing operations (after tax) (XII-XIII)		-	-
XV Profit / (Loss) for the period (XI+XIV)		(185,560,261)	(240,603,516)
XVI Earnings per equity share:		(185,560,261)	(240,603,516)
(1) Basic		(15.01)	(19.46)
(2) Diluted		(15.01)	(19.46)

Notes referred to above from an integral part of the accounts

This is the Profit and Loss Account referred to in our report of even date.

For TOMY & FRANCIS
Chartered Accountants

BHAVESH RAMESHLAL CHAUHAN
Managing Director & CEO

Dr. P J GEORGE
Director

JITENDRA KUMAR PAL
Company Secretary

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

T R RAMASAMY
Director

Chennai
23rd September, 2014

NOTES ON ACCOUNTS

	As at 31-Mar-14	As at 31-Mar-13
	₹	₹
1 SHARE CAPITAL		
A AUTHORISED CAPITAL		
15,000,000 Equity Shares of ₹ 10/- each with equal voting rights	150,000,000	150,000,000
ISSUED CAPITAL		
123,65,006 Equity Shares of ₹ 10/- each with equal voting rights	123,650,060	123,650,060
SUBSCRIBED, CALLED UP AND PAID UP CAPITAL		
123,65,006 Equity Shares of ₹ 10/- each with equal voting rights Fully Called up and paid up. (The paid up share capital includes shares worth ₹ 7,24,920 which were issued by the company in October 1994 for consideration other than cash)	123,650,060	123,650,060
B Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:		
	No of Shares	No of Shares
Opening Balance	12,365,606	12,365,606
Changes During the year	-	-
Closing Balance	12,365,606	12,365,606
C Shareholders holding more than 5% of total shares		
	No of Shares	%
	No of Shares	%
1 KEMOIL LTD	8743911	70.71
	8743911	70.71
	8743911	70.11
	8743911	70.11
2 RESERVE AND SURPLUS		
(A) Capital reserve		
Opening balance	206,250	206,250
Add: Additions during the year (give details)		
Less: Utilised / transferred during the year (give details)		
Closing balance	206,250	206,250
(B) Securities premium account		
Opening balance	633,084,932	633,084,932
Add : Premium on shares issued during the year		
Less : Utilised during the year for:		
Closing balance	633,084,932	633,084,932
(C) General reserve		
Opening balance	65,864,252	65,864,252
Add: Transferred from surplus in Statement of Profit and Loss		
Less: Utilised / transferred during the year for:		
Closing balance	65,864,252	65,864,252
(D) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	(783,836,242)	(543,232,726)
Add: Profit / (Loss) for the year	(185,560,261)	(240,603,516)
Amounts transferred from:		
Less: Amount Transferred to		
Closing balance	(969,396,503)	(783,836,242)
Total	(270,241,068)	(84,680,808)

NOTES ON ACCOUNTS

	As at 31-Mar-14	As at 31-Mar-13
	₹	₹
3 LONG-TERM BORROWINGS		
Term loans		
From banks		
Secured		
Canara Bank Building Term Loan	360,806,819	432,656,000
Total	360,806,819	432,656,000
(Canara Bank term loan are secured by exclusive charge over the building, machinery and equipment.)		
4 SHORT-TERM BORROWINGS		
Loans repayable on demand		
From banks		
Secured		
Canara Bank PCFC Loan	-	69,500,000
(Bank PCFC Loan are secured by exclusive charge over the building, machinery and equipment and bills.)		
Unsecured loans		
Chemoil Advanced Management Services Pvt Ltd	55,000,000	55,000,000
Chemoil Advanced Management Services Pvt Ltd	8,306,484	-
Chemoil Information Services Pvt Ltd	21,500,000	-
Chemoil International Pte Ltd	3,426,775	-
Chemoil Europe B.V	22,053,147	-
Total	110,286,406	124,500,000
5 TRADE PAYABLES	391,829,426	471,467,982
6 OTHER CURRENT LIABILITIES		
Term Loan Instalments due within one year	62,500,000	60,000,000
Term Loan Instalments overdue for payment	10,625,000	-
Interest accrued but not due on borrowings	6,363,989	-
Interest accrued and due on borrowings	12,277,228	-
Income received in advance (Unearned revenue)	-	749,604
Unpaid dividends	215,161	306,901
Rent Deposits	23,723,880	27,979,740
Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)		
TDS Payable	36,801	284,053
CST&VAT	9,153	-
EPF&ESI Payable	-	11,583
TNLWF Payable	-	1,400
Professional Tax Payable	-	152,194
Aspire communications P Ltd Payable	24,851,514	43,229,437
Consideration Payable to Aspire Communications Share Holders	-	(48,247)
Other expenses Payable	32,342,041	8,326,456
Gratuity Payable	-	-
Total	172,944,767	140,993,120
7 SHORT-TERM PROVISIONS		
Leave Salary Provision	-	-
Total	-	-

NOTES ON ACCOUNTS

Tangible Assets

Note 8

Description	Gross Block			Depreciation / Amortisation			Net Block			
	as at 31-Mar-13	Additions	Deletions / Transfer	as at 31-Mar-14	Upto 31-Mar-13	For the year 31-Mar-14	Deletions / Transfer	Upto 31-Mar-14	as at 31-Mar-13	as at 31-Mar-14
TANGIBLE										
Land & Buildings	556,546,398	-	-	556,546,398	98,546,399	22,809,895	-	121,356,294	435,190,102	458,000,000
Plant and machinery	48,348,505	-	-	48,348,505	10,764,009	37,584,496	-	48,348,505	0	37,584,496
Office equipment	694,201	-	-	694,201	402,803	28,723	-	431,525	262,676	291,399
Furniture and fittings	133,812,455	1,298,000	-	135,110,455	117,839,216	2,743,408	-	120,582,625	14,527,830	15,973,238
Electrical Fittings	7,856,199	-	-	7,856,199	2,198,879	5,657,320	-	7,856,199	(0)	5,657,320
Fixture & Fittings	-	-	-	-	-	-	-	-	-	-
Computers and accessories	111,080,774	141,852	-	111,222,626	111,011,254	71,643	-	111,082,897	139,729	69,520
Vehicles	870,634	-	-	870,634	558,586	82,484	-	641,069	229,565	312,049
(A)	867,043,082	1,439,852	0	868,482,934	349,155,062	66,977,968	0	418,133,031	450,349,901	517,888,022

Note : 1. Current year Depreciation Includes Impairment cost as follows

Plant & machinery	37,584,496
Electrical Fittings	5,657,320
Furniture & Fittings	1,298,000
Total	44,539,816

2. Building Depreciation is charged assuming a remaining life period of 25 years from the date of valuation on 17/01/2013. Additional depreciation charged due to this change during the year is Rs.137,38,189/-

3. Depreciation in 2012 -13 on land & building Includes Impairment of Rs.21,218,585/- and is shown as an exceptional item.

NOTES ON ACCOUNTS

	As at 31-Mar-14	As at 31-Mar-13
	₹	₹
9 NON CURRENT INVESTMENTS (AT COST)		
Investment in Unquoted Equity Shares		
In Subsidiaries		
CSWL Inc.U.S.A.(Wholly Owned). 9,662,800 (PY 6,162,800) equity shares of \$1 each fully paid up	307,202,843	307,202,843
East Point Solutions Ltd Chennai,India. (Wholly Owned) 50,000 equity shares of Rs 10/- each fully paid up	-	-
Inatech Infosolutions Pvt Ltd Banglore,India. 495,385 equity shares of Re 1/- each fully paid up	-	495,385
Aspire Communications, Mysore, India 2,000,000 equity shares of Rs 10/- each fully paid up	31,137,969	31,137,969
In joint venture companies		
Investment in Calspence 188,753 equity shares of Srilankan Rs 10/- each fully paid up	-	-
Investment in Unquoted Preference Shares		
In Subsidiaries		
Inatech Infosolutions Pvt Ltd Banglore,India. 16,503,600 Preference shares of Re 1/- each fully paid up	-	16,503,600
Other non-current investments		
Trust money in California Software Employees' Welfare Trust	17,500	17,500
Total	338,358,312	355,357,297
Note. Both CSWL Inc and Aspire Communications P Ltd have discontinued operations fully. CSWI Inc has initiated Liquidation proceedings.		
10 DEFERRED INCOME TAX ASSET		
Carry Firward Loss	-	-
Depreciation	-	-
Total	-	-
11 LONG-TERM LOANS AND ADVANCES		
Security deposits		
Secured, considered good		
Unsecured, considered good	1,668,625	4,410,269
Doubtful		
Less: Provision for doubtful deposits	-	-
	1,668,625	4,410,269
Loans and advances to related parties		
Secured, considered good		
Unsecured, considered good	3,405,110	-
Doubtful		
Less: Provision for doubtful loans and advances	-	-
	3,405,110	-
"Advance income tax # (net of provisions ₹ Unsecured, considered good)"	51,077,517	44,677,529
Total	51,077,517	49,087,799
	56,151,252	49,087,799
A. Details of Loans & Advances to Related Parties		
Inatech Infosolutions P Ltd	3,405,110	-

NOTES ON ACCOUNTS

	As at 31-Mar-14	As at 31-Mar-13
	₹	₹
12 CURRENT INVESTMENTS (AT COST)		
Investment in Unquoted Equity Shares	-	-
	-	-
13 TRADE RECEIVABLES		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment #		
Unsecured Considered Good	-	-
Considered Doubtful	-	73,505,672
	-	73,505,672
Less: Provision for doubtful debts	-	73,505,672
Sub Total	-	-
Other Trade receivables		
Unsecured, considered good	2,011,205	159,803,979
Doubtful	-	12,291,105
	2,011,205	172,095,084
Less: Provision for doubtful trade receivables	-	12,291,105
Sub Total	2,011,205	159,803,979
Grand Total	2,011,205	159,803,979
A. Details of Trade receivables from Related Parties		
Aspire Communication P Ltd.	-	17,952,923
Inatech Solutions Limited	-	21,459,311
Inatech Solutions Egypt S.A.E	-	2,743,681
Inatech InfoSolutions P Ltd, UK	-	70,101,128
Chemoil Corporation	-	50,282
Chemoil Advanced Management Services Private Limited	-	302,278
Total	-	112,609,603
14 CASH AND CASH EQUIVALENTS		
(a) Cash on hand	61,886	26,729
(b) Cheques, drafts on hand	-	-
(c) Balances with banks	-	-
(i) In current accounts	3,277,314	3,214,176
(ii) In EEFC accounts & Foreign banks	8,530,721	7,984,062
(iii) In deposit accounts (Refer Note (i) below)	-	-
(iv) In earmarked accounts		
- Unpaid dividend accounts	211,508	305,334
Balances held as margin money or security against borrowings, guarantees and other commitments other earmarked accounts	1,480,298	73,192,107
Total	13,561,727	84,722,407

NOTES ON ACCOUNTS

	As at 31-Mar-14	As at 31-Mar-13
	₹	₹
15 SHORT-TERM LOANS AND ADVANCES		
Loans and advances to employees		
Secured, considered good		
Unsecured, considered good	-	(72,835)
Doubtful		
Less: Provision for doubtful loans and advances		
Prepaid expenses - Unsecured, considered good (For e.g. Insurance premium, Annual maintenance contracts, etc.)	46,525	6,309,807
Balances with government authorities		
Unsecured, considered good		
(i) CENVAT credit receivable		
(ii) VAT credit receivable	306,718	306,718
(iii) Service Tax credit receivable	901,247	415,736
Total	1,254,490	6,959,425
16 OTHER CURRENT ASSETS		
Accruals		
(i) Interest accrued on deposits	-	413,724
(ii) Interest accrued on investments		
(iii) Interest accrued on trade receivables		
Others		
(i) Insurance claims		
(ii) Other Receivables	-	350,885
(iii) Dividend Receivable		
(iv) Others (specify nature)		
Rent Receivable	49,707,130	56,120,434
Less Provisions	22,117,617	22,117,617
	27,589,513	34,002,817
Total	27,589,513	34,767,426
17 REVENUE FROM OPERATIONS		
Sale of products	16,451,116	131,263,863
Sale of services	29,905,437	21,641,153
Other operating revenues		
Total	46,356,553	152,905,015
18 OTHER INCOME		
Other non-operating income comprises:		
Rental income	23,618,741	38,937,400
Interest On FD	1,826,887	8,770,242
Miscellaneous income	197,630	941,055
Total	25,643,258	48,648,697
19 Employee benefits expense		
Salaries & Allowances	28,701,516	67,888,030
Contribution to Provident and other funds	2,460,687	1,469,379
Staff Welfare Expenses	236,635	3,052,080
Total	31,398,838	72,409,488

NOTES ON ACCOUNTS

	As at 31-Mar-14	As at 31-Mar-13
	₹	₹
20 OPERATION AND OTHER EXPENSES		
Purchase of Software Licenses	14,828,623	52,857,661
Project Expenses - Bought outs	31,158,474	13,256,287
Electricity Charges	1,604,944	2,755,569
Rent	5,861,125	7,194,060
Rates & taxes	908,604	2,259,567
Insurance	1,168,276	2,026,688
Repairs & Maintenance - Buildings	4,148,416	3,098,363
Repairs & Maintenance - Plant and Machinery	1,310,688	1,030,865
Repairs & Maintenance - 'Others	-	790,565
Communication Expenses	1,045,277	1,530,141
Travelling Expenses	4,530,776	9,850,584
Data Circuit Expenses	782	177,906
Audit fee	1,169,720	2,385,394
Other Audit expenses	593,260	-
Service Charges	-	101,596
Legal ,Professional and Secretarial Expenses	10,044,092	24,729,260
Exchange difference (Net)	50,571,703	(26,227,502)
Provision for doubtful debts & advances net of write off	(22,705,294)	3,470,445
Bad debts written off		
Other Expenses	173,127	643,500
Loss on sale of assets	-	-
Profit on sale of assets		
Commission	1,537,995	4,024,592
Business Promotion	-	-
Bank Charges	318,213	891,017
Office Expenses (dubai)	2,671,539	-
Total	110,940,341	106,846,558
21 FINANCE COSTS		
Interest on Term Loan	84,989,902	68,569,733
Interest on Working Capital Loan	3,642,403	8,903,095
Interest on Income Tax	-	-
Interest on HP- Loan	-	-
Interest Others	7,630,265	6,814,103
Total	96,262,570	84,286,931
22 EXCEPTIONAL ITEMS		
Investment Write off	-	174,056,849
Income from settlement of Calsoft labs	-	(19,239,922)
(Profit)/ Loss on Sale of Investment	(50,019,646)	-
Restatement of payables	-	2980409.22
Profit on Sale Transfer of Business assets	-	-14453071.32
Fixed Asset Impirement	44,539,816	21218585
Total	(5,479,830)	164,562,850
23 CAPITAL COMMITMENTS		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	-	-

NOTES ON ACCOUNTS

	As at 31-Mar-14	As at 31-Mar-13
	₹	₹
24 CONTINGENT LIABILITIES		
24.1 Guarantees given on behalf of other companies	Nil	NIL
24.2 Claims against the company not acknowledged as debt in respect of certain tax matters which are subjudice		
a) Income Tax (net of deposit)	59,220,145	59,859,792
b) Sales Tax / VAT	648,228	648,228
c) Service Tax	3,552,977	852,310
	31.03.2014	31.03.2013
	₹	₹

25 OTHER FINANCIAL INFORMATION		
25.1 Outstanding Bank Guarantees	1,480,298	650,000
25.2 Reimbursement of travel expenses to Directors	0	266,107
25.3 Sitting fees paid / payable to Directors	50,000	33,000

26 IMPAIRMENT OF ASSETS

i) Impairment of Investment

Taking into consideration the post sale scenario of its OPD division and considering the past performance of the subsidiaries company in the year 2011-12 decided to reassess the value of its investment in subsidiaries. Based on this company decided to strike off East Point Solutions Ltd accompany yet to commence business and also to withdraw from the Joint Venture Agreement with Calspence, Srilanka. It was also decided to write off excess carrying value over the book value of its Indian subsidiaries. During 2012-13 also the management has decided to Impair the investment in its overseas subsidiary CSWL Inc (The company has stopped all its operations) by writing off excess value over its book value and to impair the Investment in Preference shares of Inatech Info solutions P Ltd by writing off excess carrying value over the face value. Total Investment write off included in exceptional items is as given below:

Years	2013-14	2012-13	2011-12
Inatech Info Solutions P Ltd	NIL	68,132,886	338,754,000
Aspire Communications Ltd	NIL	NIL	37,266,697 *
East Point Solutions Ltd	NIL	NIL	500,000
Calspence, Srilanka	NIL	NIL	794,062
CSWL Inc	NIL	105,923,963	
Total	NIL	174,056,849	377,314,759

* The above amount includes ₹ 6,819,000 paid to former shareholders Aspire Communications Ltd. This payment is in excess of the Share Purchase Agreement (SPA) entered with outside shareholders.

Impairment of Fixed Assets

Land and Building was written down by ₹ 21,218,585/- in 2012-13 based on the realizable value of the land and building (As valued by Valuer on 17.01/2013). Based on the above valuation the management has impaired the value of Plant & Machinery and Electrical Fittings which are integral part of the above property and are having no other realizable value separately, as given below

Plant & Machinery	3,75,84,496
Electrical Fittings	56,57,320

Further as part of the settlement with one of the tenants company has acquired Furniture & fixtures for ₹ 12,98,000/-. This has also been impaired fully.

Total impairment cost of ₹ 445,39,816/- is over and above the regular depreciation charged during the year and hence taken to Statement of Profit and Loss as exceptional item.

NOTES ON ACCOUNTS

	31.03.2014	31.03.2013
	₹	₹
27 TRADE RECEIVABLES & PAYABLES		
During the year the company reassessed its Trade receivables and payables accumulated over the years and restated them on a realistic basis. On the basis of above, net write off of bad Debts, other receivables, old Deposits and payables were written off for ₹ 269,10,239/- against the existing provision. Excess Provision of ₹ 227,05,294/- was written back to profit and Loss Account .		
Remaining receivables and payables are subject to confirmation.		
28 Rent receivable is amounting to ₹ 49,707,130/- (PY 56,120,434/-) against which a provision of ₹ 22,117,617/- has been made.		
29 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.		
30 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		
31 AUDITORS' REMUNERATION		
Payments to Auditors comprise the following:		
Statutory Audit	5,00,000	5,00,000
Tax Audit	150,000	150,000
Limited Review and Consolidation	950,000	1,250,000
Internal Audit fee, Certification & other expenses	162,980	485,394
Total	1,762,980	2,385,394
32 VALUE OF IMPORTS ON CIF BASIS		
Capital Goods	Nil	Nil
33. EXPENDITURE IN FOREIGN CURRENCY		
Travelling Expenses	4,771,674	4,143,705
Salaries and Allowances	30,091,154	36,219,861
License Fees	15,274,886	51,599,837
Commission	1,398,681	3,463,126
Rent	3,950,536	7,021,461
Other Expenses	65,238,216	185,532,486
Total	120,725,147	287,980,476
34 EARNINGS IN FOREIGN CURRENCY		
Sales	40,098,692	149,938,046
Other Income	Nil	Nil
35 DIVIDEND REMITTED IN FOREIGN CURRENCY		
Number of Non resident shareholders	Nil	Nil
Dividend remitted during the year ₹	Nil	Nil
Number of shares	Nil	Nil

NOTES ON ACCOUNTS

36 SEGMENT REPORTING

36.1 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). However since the sale of its OPD division company is having Enterprise solution only.

In ₹

36.2 Primary Segment

Particulars	TS	ES	IMS	Unallocated	Total
1. Segment Revenue	Nil (Nil)	46,356,553 (152,905,015)	Nil (Nil)	Nil (Nil)	46,356,553 (152,905,015)
Less: Inter Segment Revenue	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Net Sales / Income from Operations	Nil (Nil)	46,356,553 (152,905,015)	Nil (Nil)	Nil (Nil)	46,356,553 (152,905,015)
2. Segment Results	Nil (Nil)	(95,982,626) (52,578,532)	Nil (Nil)	Nil (Nil)	(95,982,626) (52,578,532)
Less: 1. Interest & Finance Charges	Nil (Nil)	Nil (Nil)	Nil (Nil)	96,262,570 (84,286,931)	96,262,570 (84,286,931)
2. Other Unallocable Expenditure, Net of Un-allocable Income	Nil (Nil)	Nil (Nil)	Nil (Nil)	(1,205,105) (60,824,798)	(1,205,105) (60,824,798)
Profit / (Loss) before exceptional and extraordinary items and Tax	Nil (Nil)	(95,982,626) (52,578,532)	Nil (Nil)	(23,462,133) (23,462,133)	(191,040,091) (76,040,665)

Figures in brackets relate to the year ended March 2013

As at 31-Mar-14

As at 31-Mar-13

₹

₹

36.3 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.

USA		11,961,102
Europe		2,671,899
India and other countries	46,356,553	138,272,014
Total	46,356,553	152,905,015

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

37 DISCLOSURE UNDER AS 15 REVISED ON EMPLOYEE BENEFITS

The company has only one employee based in India from 2012-13 onwards. As such no actuarial valuation of employee benefits was done. PF is being provided as per rules. For employees based in UAE office Group Gratuity is provided for.

NOTES ON ACCOUNTS

38 RELATED PARTY DISCLOSURE

38.1 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

California Software Laboratories Inc., USA (CSWL)

Aspire Communications Private Limited, Mysore

Subsidiary of California Software

Healthnet International Inc., USA

Laboratories Inc.

Waldron Limited, Japan

Informed Decision corporation, USA

Aspiresoft Corporation, USA

Subsidiary of Waldron Limited

Codex Co Ltd, Japan

Subsidiary of Aspire Communications Private Limited

Aspire Peripherals P Ltd, Mysore

Subsidiary of Healthnet International Inc

International Innovations Inc., USA

b) Key management personnel

Mr.Bhavesh Rameshlal Chauhan

c) Other Group Companies

Fellow Subsidiaries of Kemoil Limited

Chemoil corporation USA

Chemoil International Pte. Ltd., Singapore

Chemoil Energy Limited - Singapore

Chemoil Europe B.V., The Netherlands

Subsidiaries of the abovementioned fellow subsidiaries

Chemoil Advanced Management Services Pvt. Ltd., India

Inatech InfoSolutions Private Limited, Bangalore

Inatech Solutions Ltd, UK

Inatech Solutions Egypt, SAE

Inatech ME

Inatech Solutions Europe Ltd

	2013-14	2012-13
	₹	₹

38.2 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.

RELATED PART TRANSACTIONS

With subsidiaries

1. CSWL Inc		
Reimbursement of expenses met by Calsoft	2,065,232	-
Trade payables Balance (net)	389,315,180	335,181,626
Impairment of Investment	-	105,923,963
Investment (balance)	307,202,843	307,202,843
2. Aspire Communications P Ltd		
Other Current Liabilities (net)	24,851,514	25,276,514
Expenses payable	494,364	-
Investment	31,137,969	31,137,969

With other group Companies

1. Inatech Info Solutions P Ltd		
Sale of Services	32,229,199	18,452,020
Trade payables	3,102,110	87,619,296
Write off payables as part of Sale consideration	58,790,172	-
Investment Balance	-	16,998,985
2. Inatech Solutions UK		
Payables	2,514,246	-
Payable Write off	3,170,729	-
3. Inatech ME		
Loans & Advances	3,405,110	-
4. Chemoil Advanced management Services P Ltd		
Reimbursement of expenses (electricity Charges)	2,489,357	-
Interest On loan	6,187,499	5,187,329
Unsecured Loans	63,306,484	55,000,000
Other Payables	17,090,365	8,848,973
Write off	10,33,562	-
5. Chemoil Europe BV		
Unsecured Loans	22,053,147	-
6. Chemoil Energy Ltd		
Payables	2,134,920	-
7. Chemoil International Pte Ltd		
Unsecured Loans	3,426,775	-
8. Chemoil Information Services P Ltd		
Unsecured Loans	21,500,000	-
9. Chemoil Aviation Write off	964,029	-
10. Inatech Solutions, Egypt Write off	325,748	-

39 EARNINGS PER SHARE

Weighted average - No. of shares	12,365,006	12,365,006
Profit after Tax - ₹	(185,560,261)	(240,603,516)
Basic Earnings per Share - ₹	(15.01)	(19.46)

40 As at March 31, 2014 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

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

NOTES ON ACCOUNTS

- 42 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 ₹	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)	15,24,090	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)	10,10,258	Commissioner Appeals
8.	Income Tax Act, 1961	Income Tax (A.yr 2006-07)	22,10,000	Commissioner Appeals
9.	Income Tax Act, 1961	Income Tax & TDS (A.yr 2007-08)	12,704,349	Tribunal
10.	Income Tax Act, 1961	Income Tax (A.yr 2008-09)	4,966,000	
11.	Income Tax Act, 1961	Income Tax (A.yr 2011-12)	48,187	
12.	Income Tax Act, 1961	Income Tax (A.yr 2009-10)	7,386,310	Commissioner of IT
13.	Income Tax Act, 1961	Income tax 2010-11	15,684,097	Transfer Pricing
		Total IT demand	592,20,145	
	Sales Tax		648,228	
	Service Tax	Service Tax	35,52,977 *	Joint Commissioner/ Commissioner of ST

- Based on order dated 27/06/2014 of Joint commissioner of Service tax, Chennai

43 Settlement of dispute arising out of 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. There were disputes at the group level regarding earn outs. These disputes were settled among all the companies involved by way of an agreement entered on 10-06-2013. As a result of this agreement certain payables due to Calsoft India labs P Ltd was settled. The income arising out of settlement of these payables ₹ 19,232,922/- was taken to the profit and loss account as an extraordinary item in the year 2012-13.

- 44 In 2012-13, as a part of group strategy Company has transferred its remaining Indian operations including entire employees and contracts to its wholly owned subsidiary Inatech Infosolutions Private Limited. As part of this following Fixed Assets were transferred to Inatech Computers & Licence fee at Written Down value ₹ 635,634/- Product Solutions as per valuation ₹ 375,000/-

Transfer of Business Assets has resulted in a profit of ₹ 3,422,968/- and was taken to the profit and loss account as an extraordinary item of the year 2012-13. Over the years the company has made a provision for gratuity ₹ 11,030,102/-. As the entire employees were transferred this liability was taken to profit and loss account as extraordinary income in 2012-13.

- 45 Disinvestment of wholly owned subsidiary Inatech Info Solutions P Ltd

During the year, 21-02 -2014 the company had disinvested its entire holding in wholly owned subsidiary Inatech Info Solutions P Ltd by transferring the shares to Chemoil International pte ltd, Singapore a company from parent group. Share purchase agreement between two companies dated 23/12/2013 was approved by the Board of Directors in the Board Meeting held on same date. By the above SPA, the purchase consideration was fixed at ₹ 0.48/- per each of 16,998,985 shares of ₹ 1/- held by the company in Inatech Info Solutions P Ltd. The valuation of shares was done by an outside valuer. Based on above total purchase consideration received was ₹ 82,28,458.37.

As on the date of transfer Company's books of accounts had a net payable amount of ₹ 58,790,172/- to Inatech Info Solutions P Ltd. This amount was written back and is considered as a part of Purchase consideration resulting in a total net profit of ₹ 50,019,646/- on sale of Investment and taken to profit and loss Account as an Exceptional item.

The carrying value of Investment in Inatech Info Solutions P Ltd was impaired by the management by ₹ 406,886,886/- in the preceding two years.

46. UNSECURED LOANS FROM ASSOCIATE COMPANIES

Company has taken unsecured loans as given below from various companies from its parent Group as given below:

Sl No	Name of the company	As on 31/03/2014 ₹	As on 31/03/2013 ₹
1.	Chemoil Advanced Management Services Pvt Ltd	5,50,00,000	5,50,00,000
2.	Chemoil Advanced Management Services Pvt Ltd	83,06,484	0
3.	Chemoil Information Services Pvt Ltd	2,15,00,000	0
4.	Chemoil International Pte Ltd	34,26,775	0
5.	Chemoil Europe B.V	2,20,53,147	0
	Total	11,02,86,406	5,50,00,000

Interest is being provided only on first three loans as per the terms of agreement between the companies. However no interest is being provided on Loans (4) and (5) from overseas companies as there is no loan agreement between these companies.

47. REGROUPING AND REARRANGING OF FIGURES

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

STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED

	March 31, 2014		March 31, 2013	
	₹	₹	₹	₹
A. Cash Flow from Operating Activities				
Profit before Tax		(185,560,261)		(240,603,516)
Adjustment for :				
Depreciation and Fixed Asset Impirement	24,438,152		35,269,986	
Investment Impirement	-		174,056,849	
Loss on Sale of Assets				
Profit on Sale of BTA, Settlement	-		(30,712,584)	
Profit on Sale of Investments	(5,479,830)		-	
Interest Income	(1,826,887)		(8,770,242)	
Interest Expense	96,262,570		84,286,931	
		113,394,006		254,130,940
Operating profit before working capital changes		(72,166,255)		13,527,424
Inventories	-		-	
Sundry Debtors	157,792,774		(67,826,832)	
Loans and Advances	5,819,396		14,625,937	
Current Liabilities	(47,686,916)	115,925,254	37,573,359	(15,627,536)
		43,758,999		(2,100,112)
Taxes Paid				
Net Cash from Operating Activities		43,758,999		(2,100,112)
B. Cash flow from Investing Activities				
Purchase of Investments				
Purchase of Fixed Assets		(1,439,852)		(105,839)
Profit on settlement of liabilities		-		30,712,584
Sale proceeds of Fixed Assets		-		115,028
Sale proceeds of Investments		67,018,631		-
Interest Received		1,826,887		8,770,242
Net Cash from Investing Activities		67,405,666		39,492,015
C. Cash flow from Financing Activities				
Long term loan received				
Long term loan repaid		(71,849,181)		(63,371,883)
Net Increase in packing credit		(69,500,000)		(20,639,557)
Unsecured Loan from Group Companies		55,286,406		55,000,000
Proceeds from Issue of Share Capital				
Share Premium received				
Interest paid		(96,262,570)		(84,286,931)
Dividend paid				
Dividend Tax paid				
Net Cash from Financing Activities		(182,325,345)		(113,298,371)
Net Increase / (decrease) in Cash and Cash Equivalents (A+B+C)		(71,160,680)		(75,906,468)
Cash and cash equivalents at the beginning of the year		84,722,407		160,628,875
		-		-
Cash and cash equivalents at the end of the year		13,561,727		84,722,407

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

For and on behalf of
TOMY & FRANCIS
Chartered Accountants

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

Chennai
23rd September, 2014

A. 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.

Rental income is accounted on accrual basis, however in the case continuing defaulters rental income is recognized as and when realized.

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. In the current year management has impaired fixed assets by ₹ 44,539,816/-

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 and building. Building

Depreciation is charged assuming a remaining life period of 25 years from the date of valuation on 17/01/2013. 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 ₹ 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. As at the year end Company's Overseas subsidiary CSWL Inc and Indian subsidiary Aspire Communications P Ltd and its subsidiary Aspire peripherals P Ltd have stopped their operations fully. CSWL Inc has initiated Liquidation proceedings.

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

The company has transferred its entire employees except one in the administrative office before the end of this year. PF is being paid as per rules.

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. As the company has been incurring losses for several years now entire deferred tax asset has been written back in the previous year.

STATEMENT PURSUANT TO SECTION 129 OF THE COMPANIES ACT, 2013 RELATING TO SUBSIDIARY COMPANIES

Sl.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 Profit/Losses in so far as it concerns the members of the holding company		Refer note	
								Dealt with in the holding Company's accounts	Dealt with in the holding Company's accounts		
1	CSWL Inc	USA	9662800	US \$1	100%	US Dollars	31st March 2014	5.07	NIL	NIL	a
2	Aspire communication Pvt Ltd	India	2000000	₹ 10	100%	Indian Rupee	31st March 2014	(0.93)	NIL	NIL	c

* Figures in bracket indicate losses

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

- i) Healthnet International Inc, USA (100% equity held by CSWL Inc)
- ii) Waldron Ltd , Hong Kong (100% of voting stock held by CSWL Inc.)
- iii) AspireSoft Corporation (100% outstanding stock held by CSWL Inc)

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

Bhavesh Rameshial Chauhan
Managing Director and CEO

Dr. P J George
Director

T R Ramasamy
Director

Chennai
23rd September 2014

Jitendra Kumar Pal
Company Secretary

SHAREHOLDER INFORMATION

1. Date and venue of the Annual General Meeting
11-00 a.m. on Thursday, 27th November 2014
Robert V Chandran Tower, # 149, Velachery
Tambaram Main Road, Pallikaranai, Chennai-600100
2. Dates of book closure
22nd November, 2014 to 27th November, 2014 (both days inclusive)
3. Financial year
2013-14
4. Dividend payment date
N.A. No dividend for the financial year 2013-14
5. 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- CALIFSO Scrip CODE- 532386
4. Listing fees
Paid for both the above stock exchanges for 2014-15
5. Registered office
Robert V Chandran Tower, # 149, Velachery
Tambaram Main Road, Pallikaranai, Chennai-600100
Tel: +91 - 44 -42829000-5 Fax:42829012
6. Registrars and Share transfers Agent
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
e-mail address : yuvraj@integratedindia.in
Tel: + 91 -44-2814 0801- 03 fax- 044-2814 2479
(All Communication on share Transfers in physical form share certificates, dividends, change of address, etc., may be addressed to them)
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.
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 2013-14 are:

Month	NSE			BSE		
	High ₹	Low ₹	Volume	High ₹	Low ₹	Volume
2013						
April	7.1	6.2	10611	7.5	6.93	5936
May	6.1	5.4	15660	6.6	5.71	1106
June	5.4	4.75	376	5.43	5.16	313
July	4.55	4.4	128	5.41	5.16	600
August	4.4	4.2	1300	5.65	5.11	598
September	5.05	4.4	3448	6.6	5.00	19601
October	5.35	5.05	794	6.32	5.8	1519
November	5.4	5.4	500	6.61	5.95	853
December	5.35	5.15	501	5.66	5.2	1203
2014						
January	5.6	5.6	100	5.25	4.6	5297
February	5.85	5.85	60	4.5	4.1	1365
March	6.1	5.8	3100	5.00	4.1	4209

9. Investor services - complaints received during the year
The details of investor complaints during the year 2013-14 are

Complaints received	Resolved	Not solved to the satisfaction of shareholders	Pending
2	2	Nil	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 given in Schedule 41 of Standalone financials.

SHAREHOLDER INFORMATION

11. Distribution of shareholding as on March 31, 2014

No of Shares held	No of Shareholders	% of Shareholders	Total No. of shares	% of Equity Shareholding
Upto 500	2866	84.37	344640	2.79
501-1000	249	7.33	198120	1.60
1001-2000	128	3.77	193131	1.56
2001-3000	50	1.47	124946	1.01
3001-4000	12	0.35	43957	0.36
4001-5000	14	0.41	66827	0.54
5001-10000	43	1.27	317068	2.56
10000 and above	35	1.03	11076317	89.58
TOTAL	3397	100.00	12365006	100.00

12. Categories of Shareholders as on March 31, 2014

Category	No of Shareholders	No of Shares held	% of Holding
A Promoter group:			
Foreign Bodies corporate	1	8743911	70.71
Promoter group subtotal	1	8743911	70.71
B Public shareholding			
Financial Institutions-Indian			
Foreign Institutional investors			
Bodies Corporate	70	571438	4.62
Individual shareholders-holding nominal capital upto ₹ 1 lakh each	3279	1203886	9.74
Individual shareholders-holding nominal capital in excess of ₹ 1 lakh each	30	1812981	14.66
Others (Clearing Members, Trusts, Mutual Fund & UTI)	17	32790	0.27
Public shareholding sub-total	3396	3621095	29.29
Total	3397	12365006	100.00

13. Financial calendar (tentative and subject to change)

Financial Reporting for the first quarter ending June 30, 2014	By August 14, 2014
Financial Reporting for the second quarter ending September 30, 2014	By November 14, 2014
Financial Reporting for the third quarter ending December 31, 2014	By February 14, 2015
Financial Reporting for the year ending March 31, 2015	By May 30, 2015
Annual General Meeting for the year ending March 31, 2015	By September 30, 2015

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, 2014, 12237726 equity shares representing 98.97 % of the Company's equity shares were held in dematerialised form.

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

Nil.

16. Green Initiative in the Corporate Governance by Ministry of Corporate Affairs

The Ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies and had issued circulars on April 21, 2011 and April 29, 2011 stating that the service of official documents by a company to its members can be made through electronic mode.

Considering the move taken by the MCA as a welcome step, the Company had sent the Annual Report for the financial year 2010-11 onwards in electronic form to the e-mail IDs made available to the Company by the depositories and/or Members. All the official documents including Annual Report of the Company, circulated to the Members of the Company through electronic mode, were made available on the Company's website www.calsoftgroup.com

This year also, the Company will send the Annual Report including various notices/documents like Notices of General Meetings, Audited Financial Statements, Auditors' Report, Directors' Report and Financial results in electronic mode.

17. Address For Correspondence:

7th Floor, Robert V Chandran Tower
No.149, Velachery Tambaram Main Road,
Pallikarnai, Chennai- 600 100
Telephone Nos : +91- 44-42829000
Fax No : +91-44-42829012
Email for shareholders: investor@calsoftgroup.com
Website: www.calsoftgroup.com

Exclusive email ID for redressal of investor complaints:

In terms of Clause 47(F) of the listing agreement, please use the following contacts for redressal of investor Complaints

E-mail : investor@calsoftgroup.com
Compliance Officer : Mr. Jitendra Kumar Pal
Tel : +91-44-4282 9000

To

If undelivered please return to :

California Software Co. Ltd.

Registered Office & Corporate Office

Robert V Chandran Tower

No. 149, Velachery Tambaram Main Road,

Pallikaranai, Chennai - 600 100

Tel. : +91-44-42829000

Fax : +91-44-42829012

Website: www.calsoftgroup.com



calsoft
California Software Group
CALIFORNIA SOFTWARE COMPANY LIMITED

Robert V Chandran Tower 'No. 149, Velachery Tambaram Main Road, Pallikarasi, Chennai - 600 100
Phone: 4282 9000 - 9005 Fax: 4282 9012
CIN-L72300TN1992PLC022135 email- jitendrak@calsoftgroup.com

FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

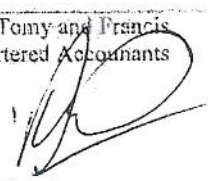
1	Name of the Company:	California Software Company Limited
2	Annual financial statements for the year ended	31st March 2014
3	Type of Audit observation	Matter of emphasis- As per (Annexure A)
4	Frequency of observation	Appeared first time
5	To be signed by	


Bhavesh Rameshlal Chauhan
Managing Director & CEO


T R Ramasamy
Audit Committee Chairman

For Tomy and Francis
Chartered Accountants



K.J. Tomy
Partner





Annexure A

Page No. 18 and 19 of Annual report of auditors report (Emphasis of matter) and Management's reply appeared in page No. 9 of Annual report in Directors Report.