



Realize Your Ideas

ANNUAL REPORT

2015-16

CORPORATE INFORMATION

Board of Directors

Frederick Ivor Bendle

Managing Director & CEO (wef from 13th November 2015)

Bhavesh Rameshlal Chauhan

Managing Director & CEO (upto 13th November 2015)

Dr. P J George

Non Executive Independent Director

T R Ramasamy

Non Executive Independent Director

Vijayapriya

Woman Director (Non Executive Director)

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
Email: yuvraj@integratedindia.in

Company Secretary & Compliance Officer

Jitendra Kumar Pal

Auditors

N. Balasubramanian Associates

Chartered Accountants

Flat No. 5, Raj Villa, Door No. 6,

Rama Rao Road, Mylapore, Chennai - 600 004.

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

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

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Letter to Shareholder



Dear Shareholders,

During the year your Directors managed to achieve a successful sale of the Company's only asset, a 4/7ths share in the building known as RVC Towers in Chennai. Continuing oversupply of property in the Chennai market, together with a backlog of repairs and maintenance issues which had accumulated due to lack of funds over several years, led to a low sales price for the building. The net price achieved was insufficient to meet the outstanding obligations on the Canara Bank mortgage and the company's major shareholder provided financial assistance to bridge the shortfall and allow the sale to proceed. The sale closed and was registered on 17th February 2016, and all of the sale proceeds have been received by the

Company. However the sale process will not be complete until later in the year when a number of post-closing obligations are fully met. Following the sale the Company no longer has any rental income or other source of revenue, and retains only a very small staff of 2 persons in order to maintain the company's compliance with various regulations and statutory obligations.

Frederick Ivor Bendle
Managing Director & CEO

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Twenty Fourth Annual General Meeting of the Company will be held on Wednesday the 28th September 2016 at 9.30 a.m. at 2nd Floor, 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
 - a) Audited Financial Statements of the Company for the financial year ended 31st March 2016
 - b) Audited Consolidated Financial Statements of the Company for the financial year ended 31st March 2016.
2. To appoint a Director in place of Dr. P.J. George (DIN-0334799), who retires by rotation and being eligible, offer himself for re-appointment.
3. 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 Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder and pursuant to the recommendation of the Audit Committee and Board of Directors, consent of the Company be and is hereby accorded to re-appoint M/s. N.Balasubramanian Associates, Chartered Accountants, Chennai (Firm Regn. No. 0355S) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 29th Annual General Meeting to be held in the year 2021, on a remuneration to be mutually agreed upon between the Board of Directors of the Company and the Auditor"

SPECIAL BUSINESS:

4. Authority to borrow moneys.

To consider and if thought fit to pass with or without modification(s), the following Resolution as a Special Resolution:

RESOLVED THAT in supersession of the earlier Resolutions passed by the Members in this behalf and pursuant to the provisions of Section 180 (1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof), the Memorandum and Articles of Association of the Company, consent of the Members be and is hereby accorded to the Company, to borrow from time to time any sum or sums of monies (exclusive of interest) on such terms and conditions as the Board of Directors and/or the Committee of Directors may determine, from anyone or more of the Company's bankers and/or from anyone or more other banks, persons, firms, companies/bodies corporate, group and associate companies, financial institutions, institutional investor(s), mutual funds, insurance companies, pension funds and or any entity/entities or authority/authorities, whether in India or abroad, and whether by way of cash credit, advance or deposits, loans or bill discounting, issue of debentures, commercial papers, long/short term loans, suppliers' credit securities instruments such as floating rate notes, fixed rate notes, syndicated loans, commercial borrowing from the private sector window of multilateral financial institutions, either in rupees and/or in such other foreign currencies as may be permitted by law from time to time, and/or any other instruments/securities or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company's assets, licenses and properties, whether immovable or movable and all or any of

the undertaking of the Company, notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company [apart from temporary loans obtained from the Company's bankers in the ordinary course of business and exempted categories of deposits/loans received by the Company under Non-Banking Finance Companies (Reserve Bank) Directions, 1977, as amended from time to time will or may exceed the aggregate of the paid-up capital of the Company and its free reserves, provided that the total amount up to which the moneys may be borrowed by the Board of Directors and/or the Committee of Directors and outstanding at any time shall not exceed the sum of Rs. 200 Crores/ - (Rupees Two hundred Crores only).

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board of Directors of the Company be and is hereby authorised to take all such actions and to give all such directions and to do all such acts, deeds, matters and things as may be necessary and/or expedient in that behalf."

5. Service of Documents

"Resolved that, pursuant to Section 20 (2) of the Companies Act, 2013, consent of the Company be and is hereby accorded to the Board of Directors to agree to the request of members for delivery of documents of the company by post or registered post or speed post or courier or through personal delivery or through electronic mode as may be requested by the member on payment of a fee not exceeding Rs.250/- for each such delivery of documents.

RESOLVED FURTHER that the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds or things which may be required to give effect to this resolution."

6. Appointment of Mr. Mahalingam Vasudevan 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 Mr. Mahalingam Vasudevan, (DIN: 01608150) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 12th August, 2016 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."

"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. Mahalingam Vasudevan, (DIN: 01608150) 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, 12th August 2016 to 11th August, 2021."

By order of the Board

For **California Software Company Limited**

Chennai
12th August 2016

Jitendra Kumar Pal
Company Secretary

Notes:

- a. 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.
- b. The Register of Members and the Share Transfer Books of the Company will remain closed from 22nd September 2016 to 28th September 2016 (both days inclusive) in connection with the Annual General Meeting.
- c. 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.
- d. 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
- g. 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.
- h. 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.
- i. Pursuant to Section 205C of the Companies Act, 1956, all unclaimed dividends upto and inclusive of the financial year 2007-08 (YE March 31, 2008) have been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government.
- j. Shareholders who have not encashed any of their dividend warrants from the year 2008-09 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.
- k. 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 Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is pleased to provide e-Voting facility for its members to enable them to cast their votes electronically. The company has availed the e-Voting services as provided by National Securities Depository

Limited (NSDL). The Company has appointed Mr. V.S.Sowrirajan, Practising Company Secretary as scrutinizer for conducting the e-Voting process in a fair and transparent manner. The instructions for e-Voting are detailed hereunder:

The voting right of shareholders shall be in proportion to their share in the paid up equity share capital of the Company as on the cut-off date being 21st September 2016. 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.nsd.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 **jitendrak@calsoftgroup.com** with a copy marked to **evoting@nsdl.co.in**.

- (B) In case a member receives physical copy of the Notice of AGM (For members whose email IDs are not registered with the Company / Depository Participant(s) or requesting physical copy)
 - (i) Initial password is provided as below / at the bottom of attendance Form.

| REVEN (Remote 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.nsd.com**.

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- (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 Sunday, the 25th September 2016 (10:00 am) and ends on Tuesday, the 27th September 2016 (5:00 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 21st September 2016, 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 along with 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 28th September 2016.
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 UNDER SECTION 102 (2) OF THE COMPANIES ACT, 2013**Item No.4****Authority to borrow moneys**

The Company is in urgent need of additional funds to carry on business and it is necessary to borrow monies from diverse sources for various business activities / initiatives undertaken by the Company. The Board accordingly recommends the revised limit to the extent of ₹ 200 Crores (Rupees two hundred crores only) under 180(1)(c) of the Companies Act, 2013 as set out in the Resolution for approval of the Members.

The Board recommends the Special Resolution set forth in Item No. 4 of the Notice for approval of the Members.

None of the Directors or Key Managerial Personnel of the Company including their relatives are interested or concerned in the Resolution except to the extent of their shareholding, if any, in the Company.

Item No.5**Service of Documents**

Section 20 of the Companies Act, 2013 provides that a member may request for delivery of any document through a particular mode on payment of such fees as may be fixed by the Annual General Meeting. Our company has also been receiving requests from members for sending documents through speed post / courier. Accordingly, there is a need to fix the fee for service of documents through special modes requested by members. The Board considered the matter in detail and recommended this resolution for fixing a fee of not exceeding ₹ 250/- for each delivery of documents. None of the Directors / Key Managerial Personnel are interested or concerned in this resolution.

Item No.6**Appointment of Mr. Mahalingam Vasudevan as an Independent Director**

Mr. Mahalingam Vasudevan (DIN-01608150) was appointed as an Additional Director of the Company by the Board at its Meeting held on 12th August 2016. 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. Mahalingam Vasudevan 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. Mahalingam Vasudevan as an Independent Director for a term of five consecutive years upto 11th August, 2021 and he shall not be liable to retire by rotation.

Mr. Mahalingam Vasudevan'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. 6 of the accompanying notice.

A brief profile of Mr. Mahalingam Vasudevan, 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. Mahalingam Vasudevan's is in any way concerned or interested in the resolution.

ANNEXURE TO ITEMS 2 OF THE NOTICE

Details of Directors seeking re-appointing at the forthcoming Annual General Meeting

| Name of the Director | Dr. P.J.GEORGE | MAHALINGAM VASUDEVAN |
|--|--|---|
| Director Identification Number (DIN) | 00334799 | 01608150 |
| Date of Birth | 01-07-1931 | 29-04-1967 |
| Nationality | INDIAN | INDIAN |
| Date of Appointment on Board | 29-12-1992 | 12-08-2016 |
| Qualification | DOCTORATE IN MECHANICAL ENGINEERING | DR. FROM MGR UNIVERSITY |
| Shareholding in the Company | 120000 | NIL |
| List of Directorship held in other Companies (excluding foreign, private and Section 8 Companies) | NIL | NIL |
| Memberships / Chairmanships of Audit and Stakeholders Relationship Committees across Public Companies. | Member of Audit Committee of California Software Company Limited Chairman of Stakeholders Relationship Committees of California Software Company Limited | Chairman of Audit Committee, Member of Stakeholders Relationship Committee & Member of Nomination and Remuneration Committee of California Software Company Limited |

By order of the Board

For **California Software Company Limited**Chennai
12th August 2016**Jitendra Kumar Pal**
Company Secretary

DIRECTORS REPORT

Dear Shareholders,

Your Directors presenting their Report on the Business & Operations of your Company and its working results for the year 2015-16.

1. FINANCIAL RESULTS

All figures in ₹ Crores except for EPS

| Details | Consolidated | | Standalone | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| | Year ended 31-Mar-16 | Year ended 31-Mar-15 | Year ended 31-Mar-16 | Year ended 31-Mar-15 |
| Total Revenues | 3.68 | 3.69 | 3.68 | 3.63 |
| Total Expenses | 5.02 | 17.75 | 4.98 | 17.24 |
| Profit before exceptional and extra-ordinary items and tax | (1.34) | (14.05) | (1.30) | (13.61) |
| Exceptional items | (0.16) | 1.05 | Nil | (1.49) |
| Profit before extraordinary items and tax | (1.17) | (15.10) | (1.30) | (12.12) |
| Profit before Tax | (1.17) | (15.10) | (1.30) | (12.12) |
| Current Tax | Nil | Nil | Nil | Nil |
| Deferred Tax | Nil | Nil | Nil | Nil |
| Loss for the year | (1.17) | (15.10) | (1.30) | (12.21) |
| paid up equity capital | 12.36 | 12.36 | 12.36 | 12.36 |
| Earning per share (EPS) for the year (Rs) | | | | |
| i) Basic | (0.95) | (12.21) | (1.05) | (9.80) |
| ii) Diluted | (1.05) | (12.21) | (1.05) | (9.80) |

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

2. DIVIDEND

The Company and the Group incurred a loss for the year and have accumulated negative reserves as at the year end. Hence, no dividend could be declared for the financial year.

3. BUSINESS UPDATE AND OUTLOOK

With the cessation of the company's businesses in 2011 which were incurring heavy losses; and now the disposal of RVC Towers, which was costing significantly more in interest than it was earning in rentals, the emergency surgery on the Company is complete. We are grateful to the Company's major shareholder for standing by the Company and consistently providing management and financial support in order to allow this process to take place in an orderly manner.

The Directors feel that the Company's listing has some value and aim to find a buyer prepared to accept the uncertain potential liabilities in the company, in order to have access to the company's listed status in a reverse takeover. However this is likely to take some time and meanwhile the company has very limited cash resources on which to survive, and no prospect of any income unless it can find a buyer. The company's major shareholder has indicated that it does not intend to inject further funds so there is considerable uncertainty as to whether this strategy can be executed in time.

RESULTS OF OPERATIONS

I - Consolidated Results

During the year, your Company on a consolidated basis with all its subsidiaries earned total revenue of ₹ 3.68 Crores as against ₹ 3.69 Crores earned during the previous year. The profit before tax during the year is ₹ (1.17) Crores as against ₹ (15.10) 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 ₹ (1.17) Crores as against a loss of ₹ (15.10) Crores of the previous year.

II - Standalone Results

During the year, your Company on a standalone basis earned total revenue of ₹ 3.68 Crores as against ₹ 3.63 Crores earned during the previous year. The profit before tax during the year is ₹ (1.30) Crores as against ₹ (12.12) Crores of the previous year.

After taking into account the tax provisions and adjustments, the loss for the year was ₹ (1.30) Crores as against a loss of ₹ (12.12) Crores for the previous year.

4. REVIEW OF SUBSIDIARIES

I - 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 ₹ 6244/- with profit of ₹ 12,83,604/- against the consolidated reported revenues of ₹ 27806 with a loss of ₹ 2.71 Crore of the previous year.

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

5. 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.

6. DIRECTORS

Mr. Fredrick Ivor Bendle was appointed as Managing Director and Chief Executive Officer of the Company for a period of two years with effect from 13th November 2015. Requisite Resolution was passed at the Extra-Ordinary General Meeting held on 25th May 2016.

Mr. Bhavesh Rameshlal Chauhan resigned as Managing Director and Chief Executive Officer with effect from 13th November 2015. The Board appreciates the contributions made by him during his tenure of office.

Mr. Vasudevan Mahalingam has been appointed as additional director with effect from 12th August 2016.

The Company has received notice under Section 160 of the Companies Act, 2013 from a member proposing Mr. Vasudevan Mahalingam for appointment to the office of Director.

7. AUDIT RELATED MATTERS

7.1. Audit Committee

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

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

7.2. Statutory Auditors

M/s.Tomy & Francis, Chartered Accountants (Firm Registration Number 010922S) who were reappointed as the Statutory Auditors of the Company at the last Annual General Meeting held on 27th November 2014 resigned. At the Extraordinary General Meeting held on 25th May 2016, M/s. N.Balasubramanian Associates, Chartered Accountants, Chennai (Firm Regn. No. 0355S) were appointed as Statutory Auditors to audit the accounts for the financial year 2015-16 and to hold office until the conclusion of this Annual General Meeting.

In this regard, the Company has received a certificate from the auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013. The Audit committee and the Board of Directors recommend the appointment of M/s. N.Balasubramanian Associates, Chartered Accountants, Chennai as Auditors to hold office up to the conclusion of the 29th Annual General Meeting to be held in the year 2021.

Resolution for appointment of M/s. N.Balasubramanian Associates, Chennai as Statutory Auditor for a period of 5 years is included in the Agenda of the Annual General Meeting.

7.3. Qualifications in Auditors Report

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

1. Note 26 and 27 in the stand alone financial statements which indicate that the Standalone Company has accumulated losses and its net worth has been fully eroded, the Standalone Company has incurred a net loss during the current and previous year(s) and, the Stand alone Company's current liabilities exceeded its current assets as at the balance sheet date. These conditions, along with other matters set forth in Note 26, indicate the existence of a material uncertainty that may cast significant doubt about the Stand alone Company's ability to continue as a going concern.

Our Company is looking for new business opportunities and hence the Company has the potentials and ability to continue as a going concern.

2. Note No. 30 to the stand alone financial statement regarding write back of Account Payables to CSWL Inc wholly owned subsidiaries of the Standalone Company amounting to ₹ 42,36,79,402/- and the equity shares of the said company amounting to ₹ 30,72,02,843/- due to the winding up of the Company during the year

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

3. Note no. 31 to the standalone financial statement regarding unsecured loans from Associate companies amounting to ₹ 36,96,79,876/-

These are all intercompany transaction and in the opinion of management are not prejudicial to the interest

of the Company and at consolidated level they get eliminated

4. Company's Indian subsidiary Aspire Communications P Ltd and its subsidiary Aspire peripherals P Ltd have stopped their operations fully.

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

7.4. Secretarial Audit

M/s.V.S.Sowrirajan & Associates, Company Secretaries-in-Practice were appointed as Secretarial Auditor for the financial year 2015-16. The Secretarial Audit Report in Form No.MR.3 issued by the Secretarial Auditor forms part of the Annual Report as **Annexure 1** to the Board's report.

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

There are no qualifications or adverse remarks in the Secretarial Audit Report which require any explanation from the Board of Directors.

7.5. Cost Audit

The company is not required to conduct cost audit.

7.6. Internal Financial Controls

There are adequate internal financial controls in place with reference to the financial statements. During the year under review, these controls were evaluated and no significant weakness was identified either in the design or operation of the controls.

8. POLICY MATTERS

8.1. Nomination and Remuneration Policy

Our Company has constituted a Nomination, Remuneration and Governance Committee of the Board of Directors and formulated a Nomination and Remuneration Policy containing the criteria for determining qualifications, positive attributes and independence of a director and policy relating to the remuneration for the directors, key managerial personnel and senior management personnel of the Company. The Nomination and Remuneration Policy is available on the website of the Company www.calsoftgroup.com and relevant extracts from the Policy are reproduced in **Annexure 2** to this report.

The Board affirms that the remuneration paid during financial year 2015-16 to the Employees and Key Managerial Personnel was as per the Remuneration policy of the Company.

8.2. Risk Management Framework

Pursuant to section 134 (3) (n) of the Companies Act, 2013 & in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board of Directors of the Company have constituted a Risk Management Committee which is entrusted with the task of monitoring and reviewing the risk management plan and procedures of the Company. The Company has developed and implemented a risk management framework detailing the various risks faced by the Company and methods and procedures for identification, monitoring and mitigation of such risks. The details of the committee and its terms of

reference are set out in the corporate governance report forming part of the Board's report. The risk management function is complimentary to the internal control mechanism of the Company and supplements the audit function. At present the company has not identified any element of risk which may threaten the existence of the company.

8.3. Corporate Social Responsibility Policy

The provisions of Section 135 of the Companies Act, 2013 and the rules made there under relating to Corporate Social Responsibility are not applicable to the Company.

8.4. Vigil Mechanism

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

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

9. OTHER MATTERS

9.1. Debentures

During the year under review, the Company has not issued any debentures. As on date, the Company does not have any outstanding debentures.

9.2. Bonus Shares

The Company has not issued any bonus shares during the financial year.

9.3. Deposits

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

9.4. Transfer to Investor Education and Protection Fund

In compliance of Section 125 of the Companies Act, 2013, the dividends pertaining to the financial year 2007-2008 which were lying unclaimed with the Company were transferred to the Investor Education and Protection Fund during the financial year 2015-16.

9.5. Human Resources

The Company has only one Employee.

Disclosure containing the names and other particulars of employees in accordance with the Provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1)

of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not applicable since the company has only one employee and none of the directors are drawing any remuneration from the company. No employees of the company drawing remuneration in excess of the limit specified under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

9.6. Corporate Governance

A detailed report on Corporate Governance and a certificate from the Statutory Auditors affirming compliance with the various conditions of Corporate Governance as stipulated under In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 forms part of the Annual Report.

9.7. Code of Conduct

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Companies Act, 2013 the Company has laid down a Code of Conduct (Code) for all the Board Members and Senior Management Personnel of the Company. The Code is also posted on the Website of the Company www.calsoftgroup.com. All Board Members and Senior Management Personnel have affirmed their compliance with the Code for the financial year ended 31st March, 2016. A declaration to this effect signed by Mr. Fredrick Ivor Bendle, Managing Director forms part of the Corporate Governance Report.

9.8. Management Discussion and Analysis Report

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

9.9. Extract of Annual Return

In terms of Section 134 of the Companies Act, 2013 read with Rules 12(1) of the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return of the Company for the financial year 2015-16 is provided in **Annexure 3** to this report.

9.10. Number of Board Meetings

During the year, Five (5) Board Meetings were held and details are available in the Corporate Governance Report. The intervening gap between two board meetings was within the period prescribed by the Companies Act, 2013.

9.11. Particulars of Loans, Guarantees and Investments

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

9.12. Related Party Transactions

During the year, the Company has not entered into any contract / arrangement / transaction with a related party which can be considered as material in terms of the policy on related party transactions laid down by the Board of

Directors. The related party transactions undertaken during the financial year 2015-16 are detailed in Notes to Accounts of the Financial Statements.

Particulars of contracts or arrangements with related parties referred to in section 188(1) of the Companies Act, 2013 in form AOC-2 is appended as **Annexure 4** to the Board's Report.

9.13. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Since the company is in the Information Technology Enabled Services (ITES), the provisions relating to conservation of energy and technology absorption are not applicable. Details of earnings and expenditure in foreign currency are given below:

| | (₹ in Crores) | |
|--|---------------|---------|
| | 2015-16 | 2014-15 |
| Foreign Exchange Earnings | Nil | 0.56 |
| Foreign Exchange Outgo (including Capital Goods and Imported Software Packages) | Nil | 0.70 |

9.14. Declaration by Independent Directors

The Company has received necessary declaration from each independent director under Section 149 (7) of the Companies Act, 2013 that he/she holds the criteria of independence laid down in Section 149 (6) of the Companies Act, 2013 and in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

9.15. Board Evaluation

As required by the Companies Act, 2013 and in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which includes criteria for performance evaluation of the non-executive directors and executive directors.

On the basis of Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors, a process of evaluation was followed by the Board for its own performance and that of its Committees and individual Directors.

9.16. Financial Position and Performance of Subsidiaries, Joint Ventures and Associates

In terms of Section 134 of the Companies Act, 2013 and Rule 8(1) of the Companies (Accounts) Rules, 2014, the financial position and performance of subsidiaries are given as an **Annexure 5** to the Consolidated Financial Statements.

As on 31st March 2016, the company has only one subsidiary company namely Aspire Communications Private Limited. There has been no material change in the nature of the business of the subsidiaries. The consolidated financial statement has been prepared in accordance with

the relevant accounting standards and a separate statement containing the salient features of the financial statement of its subsidiaries and associate in form AOC-1 is attached along with the financial statement of the company.

9.17. Material Changes and Commitments, if any, affecting the Financial Position between the end of the Financial Year and the date of Report:

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

9.18. Green initiatives

Electronic copies of the Annual Report 2015-16 and Notice of the Twenty Fourth Annual General Meeting are sent to all members whose email addresses are registered with the Company / Depository Participant(s). For members who have not registered their email addresses, physical copies of the Annual Report 2016 and the Notice of the 24th Annual General Meeting are sent in the permitted mode. Members requiring physical copies can send a request to the Company.

9.19. Additional Information to Shareholders

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

10 DIRECTORS' RESPONSIBILITY STATEMENT

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

Your Directors confirm the following that:

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

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

11 Key Managerial Personnel

The Key Managerial Personnel of the Company are:

- a. Mr. Frederick Ivor Bendle - Managing Director
- b. Mr. Jitendra Kumar Pal - Company Secretary

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
12th August, 2016

Fredrick Ivor Bendle
Managing Director & CEO

Dr. P J George
Director

MR - 3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

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

To:

The Members
California Software Company Limited
149, Velachery Tambaram Main Road
Pallikaranai, Chennai-600100

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31 March 2016 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (No actions / events requiring compliance pursuant to this Regulations).
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.
 - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 {applicable with effect from 1st December 2015} .
 - (d) Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 2014; (No actions / events requiring compliance pursuant to this Regulations).
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (No actions / events requiring compliance pursuant to this Regulations).
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client).
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (No actions/events requiring compliance pursuant to this Regulation).
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2002 (No actions/events requiring compliance pursuant to this Regulation).
 - (i) Other laws applicable to the Company (as per the information made available, the following laws are specifically applicable to the company).
 - Information Technology Act, 2000 and the Rules made thereunder
 - Copyrights Act,
 - The Patents Act, 1970
 - Trade Marks Act, 1999

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the matters specified in Annexure I to this Report.

We further report that

Based on the information provided to me during the conduct of audit and based on the reports submitted by the Board / Committees from time to time, in our opinion adequate systems, processes and control measures exist in the Company to monitor and ensure compliance with the applicable general laws like labour laws, competition laws and environmental laws.

Compliance by the company of applicable financial laws like direct and indirect laws, has not been reviewed in this Audit since the same is subject to review statutory financial audit and other designated professionals..

Adequate systems and processes in the company, commensurate with the size of the company and nature of operations to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act *subject to the matters specified in Annexure I to this Report.*

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

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place : Chennai
Date : 12th August, 2016

V.S.SOWRIRAJAN
Company Secretary
FCS 2368/CP6482

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

LIST OF FORMS YET TO BE FILED AND COMPLAINE DEFICIENCIES

| Sl. No. | Subject Matter | Date of Event | Form yet to be filed | Remarks |
|---------|--|---|--|--|
| 1 | Filing of Return reg: Special Resolutions passed through Postal Ballot | 15 th November 2014 | Form No. MGT.14 | Yet to be filed. The Company has filed an application with the Central Government for condonation of delay and the application is yet to be approved. On getting Condonation of Delay, the form will be filed. |
| 2 | Appointment of Independent Directors held at the Annual General Meeting and Regularisation of Appointment of Additional Director | 27 th November 2014 | orm No. DIR.12 | Filed vide SRN-C73111940 dated 18 th December 2015 |
| 3 | Return of Appointment of Key Managerial Personnel | 15 th November 2014 | Form No.DIR.12 and Form No.MR.1 | Yet to be filed |
| 4 | Appointment of Managing Director | 8 th August 2014 | Form No.MR. 2 - Application to Central Government for approval of appointment Form No.MGT.14- Filing of Resolution for appointment of Managing Director | Yet to be filed |
| 5 | Filing of Annual Accounts with RoC in Form AOC.4 (XBRL) for the Financial Year 2014-15 | 19 th August 2015 | Form AOC.4 (XBRL) | Yet to be filed |
| 6 | Filing of Annual Return with RoC as on 31 st March 2015 | 19 th August 2015 | Form MGT.7 | Filed vide SRN-G00889436 dated 13 th April 2016 |
| 7 | Filing of Report on Annual General Meeting | 19 th August 2015 | Form MGT.15 | Yet to be filed |
| 8 | Return of Changes in shareholding pattern of promoters and top ten shareholders | Various Dates | Form MGT,10 | Yet to be filed. Non-compliance in respect of filing of form within 15 days of change, |
| 9 | Publication of Unaudited Financial Results | Quarterly Results for all four quarters of the Financial Year 2015-16 | - | Not Published. Intimations to Stock Exchanges have been duly given and the results are posted on the website. |

ANNEXURE - A

To:

The Members
California Software Company Limited
149, Velachery Tambaram Main Road
Pallikaranai, Chennai-600100

Our report of even date is to be read alongwith this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Chennai
Date : 12th August, 2016

V.S.SOWRIRAJAN
Company Secretary
FCS 2368/
CP6482



Realize Your Ideas

CALIFORNIA SOFTWARE COMPANY LIMITED

CIN - L72300TN1992PLC022135

1. **POLICY ON BOARD DIVERSITY****Purpose of this Policy:**

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

2. **Scope of Application:**

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

3. **Policy Statement:**

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

4. **Review of the Policy:**

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

REMUNERATION POLICY1. **Purpose of this Policy:**

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

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

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

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

2. **Definitions:**

Independent Director means a director referred to in Section 149(6) of the Act.

Key Managerial Personnel (the "KMP") shall mean "Key Managerial Personnel" as defined in Section 2(51) of the Act.

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

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

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

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

3. Composition of the Committee:

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

4. Role of the Committee:

The Committee shall:

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

5. Appointment and removal of Director, KMP and Senior Management:

5.1 Appointment criteria and qualification:

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

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

5.2 Term:

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

Whereas the term of the KMP (other than the Managing / Whole time Director) and Senior

Management shall be governed by the prevailing HR policies of the Company.

Evaluation:

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

5.4 Removal:

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

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

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

7. Remuneration to Non-executive / Independent Director:

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

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

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

1. Once in a year, the Board will conduct a self-evaluation. It is the responsibility of the Chairman of the Board, supported

by the Company Secretary of the Company, to organise the evaluation process and act on its outcome;

2. The Committee shall formulate evaluation criteria for the Board and the Independent Directors which shall be broadly based on:
 3. Knowledge to perform the role;
 4. Time and level of participation;
 5. Performance of duties and level of oversight; and
 6. Professional conduct and independence.
7. The Board / Independent Directors shall be asked to complete the evaluation forms and submit the same to the Chairman.
8. In terms of Section 134 of the Act, the Directors' Report should include a statement indicating a manner in which the Board has done formal annual evaluation of its own performance, performance of Committees and individual Directors of the Company.

Annexure B**Framework for Separate Meeting of Independent Directors**

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

The meeting shall:

1. Review the performance of Non-independent Directors and the Board as a whole;

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

Annexure C**Familiarisation Programme for Independent Directors**

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

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

The Familiarisation Programme of the Company will provide information relating to the Company, industry and the environment in which Company operates, challenges etc. The

programme also intends to improve awareness of the Independent Directors on their roles, rights, responsibilities towards the Company. Further, the Familiarisation Programme should also provide information relating to the financial performance of the Company and budget and control process of the Company. The Managing Director or such other authorised officer(s) of the Company shall lead the Familiarisation Programme on aspects relating to business / industry. The Chief Financial Officer or such other authorised officer(s) of the Company may participate in the programme for providing inputs on financial performance of the Company and budget, control process, etc.

Form No. MGT - 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2016

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

| | | |
|--|---|--|
| I. REGISTRATION AND OTHER DETAILS | | |
| i) | CIN | L72300TN1992PLC022135 |
| ii) | Registration Date | 06/02/1992 |
| iii) | Name of the Company | CALIFORNIA SOFTWARE COMPANY LIMITED |
| iv) | Category / Sub-Category of the Company | Public Limited Company |
| v) | Address of the Registered office and contact details | Robert V Chandran Tower, 7 th Floor, No.149, Velachery Tambaram Main Road, Pallikaranai, Chennai-600010 Telephone Nos. +91- 44-42829000 Fax No. +91-44-42829012 Email for shareholders: investor@calsoftgroup.com Website: www.calsoftgroup.com |
| vi) | Whether listed company | Yes |
| vii) | Name, Address and Contact details of Registrar and Transfer Agent, if any | M/s.Integrated Enterprises (India) Limited, 2 nd Floor, Kencees Towers, 1,Ramakrishna Street, North Usman Road, T. Nagar, Chennai-600017 Phone:044-2814 0801-03, Fax: 044- 2814 2479 email: yuvraj@integratedindia.in |
| II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY | | Information Technology Enabled Services |
| | All the business activities contributing 10% or more of the total turnover of the Company | Rental Income - 100% |
| III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES | | |
| | | Holding Company - Kemoil Limited, Singapore Subsidiary Company: 1. Aspire Communications Private Limited |
| IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAK UP AS PERCENTAGE OF TOTAL EQUITY) | | |
| i) | Category-wise Share Holding | As per Annexure - A |
| ii) | Shareholding of Promoters | As per Annexure - B |
| iii) | Change in Promoters' Shareholding | As per Annexure - C |
| iv) | Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) | As per Annexure - D |
| v) | Shareholding of Directors and Key Managerial Personnel | As per Annexure - E |
| V. INDEBTEDNESS | | |
| | Indebtedness of the Company including interest outstanding / accrued but not due for payment. | As per Annexure - F |
| VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL | | |
| A. | Remuneration to Managing Director, Whole-time Directors and / or Manager | NIL |
| B. | Remuneration to other directors | NIL |
| C. | Remuneration to Key Managerial Personnel other than MD / MANAGEMENT / WD | Rs. 1,161,559/- |
| VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES - NIL | | |

i) Category-wise Shareholding Pattern

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % change during the year |
|--|---|---------------|-----------------|------------------|---|---------------|-----------------|------------------|--------------------------|
| | Demat | Physical | Total | %of total shares | Demat | Physical | Total | %of total shares | |
| A. Promoters | | | | | | | | | |
| 1. Indian | | | | | | | | | |
| a. Individual/ HUF | - | - | - | - | - | - | - | - | - |
| b. Central Govt. | - | - | - | - | - | - | - | - | - |
| c. StateGovt(s) | - | - | - | - | - | - | - | - | - |
| d. Bodies Corporate | - | - | - | - | - | - | - | - | - |
| e. Banks / FI | - | - | - | - | - | - | - | - | - |
| f. Any Other due | - | - | - | - | - | - | - | - | - |
| Sub-Total (A)(1): | - | - | - | - | - | - | - | - | - |
| 2. Foreign | | | | | | | | | |
| a. NRIs- Individuals | - | - | - | - | - | - | - | - | - |
| b. Other- Individuals | - | - | - | - | - | - | - | - | - |
| c. Bodies Corporate | 8743911 | - | 8743911 | 70.71 | 8743911 | - | 8743911 | 70.71 | - |
| d. Banks / FI | - | - | - | - | - | - | - | - | - |
| e. Any Other due | - | - | - | - | - | - | - | - | - |
| Sub-Total(A)(2): | 8743911 | - | 8743911 | 70.71 | 8743911 | - | 8743911 | 70.71 | - |
| Total Shareholding of Promoters(A) = (A)(1) + (A)(2) | 8743911 | - | 8743911 | 70.71 | 8743911 | - | 8743911 | 70.71 | - |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | - | - | - | - | - | - | - | - | - |
| a. Mutual Funds / UTI | - | 300 | 300 | - | - | 300 | 300 | - | - |
| b. Banks / FI | | - | | | | | | | |
| c. Central Govt. | | - | | | | | | | |
| d. State Govt. (s) | | - | | | | | | | |
| e. Venture Capital Funds | | - | | | | | | | |
| f. Insurance Companies | | - | | | | | | | |
| g. FIs | | - | | | | | | | |
| h. Foreign Venture Capital Funds | | - | | | | | | | |
| i. Others (Specify) | | - | | | | | | | |
| Sub-Total (B)(1): | - | 300 | 300 | - | - | 300 | 300 | - | - |
| 2. Non-Institutions | | | | | | | | | |
| a. Bodies Corporate | | | | | | | | | |
| i) Indian | 570145 | 100 | 570245 | 4.61 | 553964 | 100 | 554064 | 4.48 | (0.13) |
| ii) Overseas | | | | | | | | | |
| b. Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs.1 lakh | 1248967 | 100049 | 1349016 | 10.91 | 1277408 | 98549 | 1375957 | 11.13 | 0.22 |
| ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh | 1646841 | 19931 | 1666772 | 13.48 | 1664856 | 19931 | 1684787 | 13.63 | 0.15 |
| c. Others (specify) | | | | | | | | | |
| Clearing Member | 751 | 0 | 751 | 0.01 | 220 | 0 | 220 | 0.00 | (0.00) |
| Corporate CM / TM - Client Margin A/c. | 24580 | 0 | 24580 | 0.20 | 4194 | 0 | 4194 | 0.03 | (0.16) |
| Corporate CM / TM - Client Beneficiary A/c. | 9331 | 0 | 9331 | 0.08 | 703 | 0 | 703 | 0.01 | (0.07) |
| Individual - Margin Trading Account | 0 | 0 | 0 | 0.00 | 770 | 0 | 770 | 0.01 | 0.01 |
| Trusts | 100 | 0 | 100 | 0.00 | 100 | 0 | 100 | 0.00 | 0.00 |
| Sub-Total (B)(2) | 3500715 | 120080 | 3620795 | 29.28 | 3502215 | 118580 | 3620795 | 29.28 | 0.00 |
| Total Public Share Holding (B)=B(1)+B(2) | 3500715 | 120380 | 3621095 | 29.29 | 3502215 | 118880 | 3621095 | 29.29 | 0.00 |
| TOTAL (A)+(B) | 12244626 | 120380 | 12365006 | 100.00 | 12246126 | 118880 | 12365006 | 100.00 | 0.00 |
| C Shares held by Custodians and against which Depository Receipts have been issued | | | | | | | | | |
| GRAND TOTAL (A)+(B)+(C) | 12244626 | 120380 | 12365006 | 100.00 | 12246126 | 118880 | 12365006 | 100.00 | 0.00 |

ii) Shareholding of Promoters

| Shareholders Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in shareholding during the year |
|--|---|---------------------------------|--|-------------------------------------|---------------------------------|--|--|
| | No. of Share | % of total share of the Company | % of Shares Pledged / encumbered to total shares | No. of Share | % of total share of the Company | % of Shares Pledged / encumbered to total shares | |
| Kemoil Limited, Singapore PAN :AADCK1162H | 8743911 | 70.71 | 0.00 | 8743911 | 70.71 | 0.00 | 0.00 |
| TOTAL NO.OF SHARES | 8743911 | 70.71 | NIL | 8743911 | 70.71 | NIL | NIL |

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

Annexure - C

| | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|------------------------------|---|----------------------------------|---|----------------------------------|
| | No. of Shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| At the beginning of the year | | | | |
| NIL | NIL | NIL | NIL | NIL |

Annexure - D

iv) Shareholding Pattern of Top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

| S. No. | Name | Opening Balance | | Increase / Decrease | | Closing Balance | |
|--------|--|-----------------|-------|---------------------|--------|-----------------|-------|
| | | Shares | % | Shares | % | Shares | % |
| 1 | Chemoil Advanced Management Services Pvt Ltd | | | | | | |
| | Opening Balance as on 01/04/2015 | 449178 | 3.633 | | | | |
| | Closing Balance as on 31/03/2016 | | | | | 449178 | 3.633 |
| 2 | Santhosh S | | | | | | |
| | Opening Balance as on 01/04/2015 | 336743 | 2.723 | | | | |
| | Closing Balance as on 31/03/2016 | | | | | 336743 | 2.723 |
| 3 | Jayasree S | | | | | | |
| | Opening Balance as on 01/04/2015 | 175163 | 1.417 | | | | |
| | Closing Balance as on 31/03/2016 | | | | | 175163 | 1.417 |
| 4 | Nandini J Nathani | | | | | | |
| | Opening Balance as on 01/04/2015 | 164800 | 1.333 | | | | |
| | Closing Balance as on 31/03/2016 | | | | | 164800 | 1.333 |
| 5 | Adil Nathani | | | | | | |
| | Opening Balance as on 01/04/2015 | 163400 | 1.321 | | | | |
| | Closing Balance as on 31/03/2016 | | | | | 163400 | 1.321 |
| 6 | Ravindra Krishnappa | | | | | | |
| | Opening Balance as on 01/04/2015 | 126867 | 1.026 | | | | |
| | Closing Balance as on 31/03/2016 | | | | | 126867 | 1.026 |
| 7 | George P J | | | | | | |
| | Opening Balance as on 01/04/2015 | 120000 | 0.970 | | | | |
| | Closing Balance as on 31/03/2016 | | | | | 120000 | 0.970 |
| 8 | George Francis | | | | | | |
| | Opening Balance as on 01/04/2015 | 56310 | 0.455 | | | | |
| | Closing Balance as on 31/03/2016 | | | | | 56310 | 0.455 |
| 9 | Mita Dipak Shah | | | | | | |
| | Opening Balance as on 01/04/2015 | 50000 | 0.404 | | | | |
| | 14/08/2015 | | | 3840 | 0.031 | 53840 | 0.435 |
| | 15/01/2016 | | | -9069 | -0.073 | 44771 | 0.362 |
| | Closing Balance as on 31/03/2016 | | | | | 44771 | 0.362 |

**iv) Shareholding Pattern of Top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)
(Contd.)**

| S. No. | Name | Opening Balance | | Increase / Decrease | | Closing Balance | |
|--------|-------------------------------------|-----------------|-------|---------------------|--------|-----------------|-------|
| | | Shares | % | Shares | % | Shares | % |
| 10 | Neeraj Aggarwal | | | | | | |
| | Opening Balance as on 01/04/2015 | 50000 | 0.404 | | | | |
| | 09/10/2015 | | | -10009 | -0.081 | 39991 | 0.323 |
| | 16/10/2015 | | | -4000 | -0.032 | 35991 | 0.291 |
| | 23/10/2015 | | | -5000 | -0.040 | 30991 | 0.251 |
| | 06/11/2015 | | | -3972 | -0.032 | 27019 | 0.219 |
| | 31/12/2015 | | | -2400 | -0.019 | 24619 | 0.199 |
| | 08/01/2016 | | | -1900 | -0.015 | 22719 | 0.184 |
| | Closing Balance as on 31/03/2016 | | | | | 22719 | 0.184 |
| 11 | Pace Stock Broking Services Pvt Ltd | | | | | | |
| | Opening Balance as on 01/04/2015 | 48468 | 0.392 | | | | |
| | 07/08/2015 | | | -100 | -0.001 | 48368 | 0.391 |
| | 31/12/2015 | | | -1 | 0.000 | 48367 | 0.391 |
| | 19/02/2016 | | | 10843 | 0.088 | 59210 | 0.479 |
| | 26/02/2016 | | | -6323 | -0.051 | 52887 | 0.428 |
| | 11/03/2016 | | | -4520 | -0.037 | 48367 | 0.391 |
| | 18/03/2016 | | | 2311 | 0.019 | 50678 | 0.410 |
| | Closing Balance as on 31/03/2016 | | | -2311 | -0.019 | 48367 | 0.391 |
| 12 | Krishan Unni V B | | | | | | |
| | Opening Balance as on 01/04/2015 | 40000 | 0.323 | | | | |
| | Closing Balance as on 31/03/2016 | | | | | 40000 | 0.323 |
| 13 | Ambili S | | | | | | |
| | Opening Balance as on 01/04/2015 | 36890 | 0.298 | | | | |
| | Closing Balance as on 31/03/2016 | | | | | 36890 | 0.298 |
| 14 | Ravikumar Sundaram | | | | | | |
| | Opening Balance as on 01/04/2015 | 35400 | 0.286 | | | | |
| | 10/04/2015 | | | -2812 | -0.023 | 32588 | 0.264 |
| | 17/04/2015 | | | -16080 | -0.130 | 16508 | 0.134 |
| | 24/04/2015 | | | -328 | -0.003 | 16180 | 0.131 |
| | 01/05/2015 | | | -31 | 0.000 | 16149 | 0.131 |
| | 08/05/2015 | | | -543 | -0.004 | 15606 | 0.126 |
| | 15/05/2015 | | | -79 | -0.001 | 15527 | 0.126 |
| | 22/05/2015 | | | -9189 | -0.074 | 6338 | 0.051 |
| | 29/05/2015 | | | -6338 | -0.051 | 0 | 0.000 |
| | Closing Balance as on 31/03/2016 | | | | | 0 | 0.000 |
| 15 | Rathnakumar K S | | | | | | |
| | Opening Balance as on 01/04/2015 | 34390 | 0.278 | | | | |
| | 07/08/2015 | | | -2000 | -0.016 | 32390 | 0.262 |
| | 14/08/2015 | | | -4000 | -0.032 | 28390 | 0.230 |
| | 25/12/2015 | | | -100 | -0.001 | 28290 | 0.229 |
| | Closing Balance as on 31/03/2016 | | | | | 28290 | 0.229 |
| 16 | Diwakar Kaiwar | | | | | | |
| | Opening Balance as on 01/04/2015 | 30000 | 0.243 | | | | |
| | Closing Balance as on 31/03/2016 | | | | | 30000 | 0.243 |

iv) Shareholding Pattern of Top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs) (Contd.)

| S. No. | Name | Opening Balance | | Increase / Decrease | | Closing Balance | |
|--------|----------------------------------|-----------------|-------|---------------------|-------|-----------------|-------|
| | | Shares | % | Shares | % | Shares | % |
| 17 | Sunil Kumar Chhajaj | | | | | | |
| | Opening Balance as on 01/04/2015 | 12500 | 0.101 | | | | |
| | 06/11/2015 | | | 1962 | 0.016 | 14462 | 0.117 |
| | 11/12/2015 | | | 9725 | 0.079 | 24187 | 0.196 |
| | 01/01/2016 | | | 28644 | 0.232 | 52831 | 0.427 |
| | 08/01/2016 | | | 4669 | 0.038 | 57500 | 0.465 |
| | Closing Balance as on 31/03/2016 | | | | | 57500 | 0.465 |
| 18 | Gunjan Chhajaj | | | | | | |
| | Opening Balance as on 01/04/2015 | 12500 | 0.101 | | | | |
| | 30/10/2015 | | | 2350 | 0.019 | 14850 | 0.120 |
| | 11/12/2015 | | | 14040 | 0.114 | 28890 | 0.234 |
| | 01/01/2016 | | | 11611 | 0.094 | 40501 | 0.328 |
| | 08/01/2016 | | | 16999 | 0.137 | 57500 | 0.465 |
| | 22/01/2016 | | | 1 | 0.000 | 57501 | 0.465 |
| | Closing Balance as on 31/03/2016 | | | | | 57501 | 0.465 |

v) Shareholding of Directors and Key Managerial Personnel

| For Each of the Directors | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--|---|----------------------------------|---|----------------------------------|
| | No. of Shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| P J George | 120,000 | 0.97 | 120,000 | 0.97 |
| | Name of the Key Managerial Personnel | | | |
| For Each of the KMPs | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
| | No. of Shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| None of the KMPs hold shares in the Company. | - | - | - | - |

V INDEBTEDNESS

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

| Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness ₹ |
|--|----------------------------------|-----------------|----------|----------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal amount | 362,056,819 | 246,936,135 | 0 | 608,992,954 |
| ii) Interest due but not paid | 15,930,209 | 31,726,340 | 0 | 47,656,549 |
| iii) Interest accrued but not due | 0 | 0 | 0 | 0 |
| Total (i + ii + iii) | 377,987,028 | 278,662,475 | | 656,649,503 |
| Change in Indebtedness during the financial year | | | | |
| Addition | 0 | 91,017,401 | | 91,017,401 |
| Reduction | 377,987,028 | 0 | | 377,987,028 |
| Net Change | -377,987,028 | 91,017,401 | | -286,969,627 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal amount | 0 | 351,598,030 | | 351,598,030 |
| ii) Interest due but not paid | 0 | 5,716,277 | | 5,716,277 |
| iii) Interest accrued but not due | 0 | 12,365,569 | | 12,365,569 |
| Total (i + ii + iii) | 0 | 369,679,876 | | 369,679,876 |

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and / or Manager**

| Sl.No. | Particulars of Remuneration | Mr. Frederick Ivor Bendle |
|--------|---|---------------------------|
| | Gross Salary | |
| 1. | a) Salary as per provisions contained in Section 17(1) of the IT Act 1961 | - |
| | b) Value of perquisites under Section 17(2) of IT Act 1961 | - |
| | c) Profits in lieu of salary u/s 17(3) of IT Act 1961 | - |
| 2 | Stock Options | - |
| 3 | Sweat Equity | - |
| 4 | Commission | |
| | - As % of profit | - |
| | - Others specify | - |
| 5 | Others please specify : | |
| | i) Deferred bonus | - |
| | ii) Retirals | - |
| | TOTAL (A) | 0 |

B. Remuneration of other Directors**C. 1. Independent Directors**

| Sl.No. | Particulars of Remuneration | Name of the Directors | | |
|--------|--|-----------------------|--------------|------------|
| | | P J George | T R Ramasamy | Total in ₹ |
| 1. | Fee for attending Board / Committee Meetings | 35,000 | 35,000 | 70,000 |
| 2. | Commission | Nil | Nil | NIL |
| 3. | Others, please specify | Nil | Nil | NIL |
| | Total | Nil | Nil | Nil |

2. Other Non Executive Directors

| Sl.No. | Particulars of Remuneration | Name of the Director | | |
|--------|-----------------------------|----------------------|--|--|
| | | NIL | | |

D. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD

| Sl.No. | Particulars of Remuneration | Key Managerial Personnel - Mr. Jitendra Kumar Pal - Company Secretary |
|--------|-----------------------------|---|
| 1. | Gross Salary | ₹ 1,161,559/- |

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment / Compounding fees imposed | Authority [RD / NCLT / COURT] | Appeal made, if any (give details) |
|-------------------------------------|------------------------------|-------------------|--|--------------------------------|-------------------------------------|
| A. COMPANY | | | | | |
| Penalty | | | | | |
| Punishment | | | NIL | | |
| Compounding | | | | | |
| B. DIRECTORS | | | | | |
| Penalty | | | | | |
| Punishment | | | NIL | | |
| Compounding | | | | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | | | | | |
| Punishment | | | NIL | | |
| Compounding | | | | | |

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

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

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

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

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

2 Details of contracts or arrangements or transactions at Arm's length basis.

| SI.No. | Particulars | Details |
|--------|---|---------|
| a | Name (s) of the related party & nature of relationship | – |
| b | Nature of contracts/arrangements/transaction | – |
| c | Duration of the contracts/arrangements/transaction | – |
| d | Salient terms of the contracts or arrangements or transaction including the value, if any | – |
| e | Date of approval by the Board | – |
| f | Amount paid as advances, if any | – |

FINANCIAL POSITION AND PERFORMANCE OF SUBSIDIARIES**ANNEXURE - V****Form No AOC - 1**

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

Statement containing salient features of the financial statement of subsidiaries

Part 'A' : Subsidiaries

(in ₹)

| Sl.No. | Particulars | Details |
|--------|---|--|
| 1 | Name of the subsidiary | Aspire Communications Private Ltd |
| 2 | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | 01 st April 2015 to 31 st March 2016 |
| 3 | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | Indian Rupees (INR) |
| 4 | Share Capital | 20,000,000 |
| 5 | Reserves & surplus | (20,077,961) |
| 6 | Total assets | 127,520 |
| 7 | Total Liabilities | 127,520 |
| 8 | Investments | – |
| 9 | Turnover | 6,244 |
| 10 | Profit before taxation | 1,283,604 |
| 11 | Provision for taxation | – |
| 12 | Profit after taxation | 1,283,604 |
| 13 | Proposed Dividend | – |
| 14 | % of shareholding | 100 |

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER AS PER THE SEBI (LODR) REGULATIONS 2015.

TO

The Members of California Software Company Ltd.

We have examined the compliance of conditions of corporate governance by California Software Company Limited (the "Company"), for the year ended on March 31, 2016, as stipulated in chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchange(s).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the 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 provisions as specified in chapter IV Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to Listing Agreement of the said Company with stock exchange(s).

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Chennai
12th August 2016

N. Balasubramanian
Partner, Membership No.023445

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 in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

2. Board of Directors:

a) Composition and category of Directors as on March 31, 2016

| Category | No. of Directors | % |
|--|------------------|--------|
| Whole time Director | 1 | 25.00 |
| Independent Non-executive Directors | 2 | 50.00 |
| Non-Executive Non-Independent Director (including one Woman Director) | 1 | 25.00 |
| Total | 4 | 100.00 |

b) Composition of the Board, and Directorships held as on 31st March 2016.

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

| Name of the Director | Designation | No. of Board meetings in the year during respective tenure of directors | | Attendance of Last AGM | No. of directorships held in the other companies | No. of board committee membership a held in other companies |
|-------------------------------|--|---|----------|------------------------|--|---|
| | | Held | attended | | | |
| Mr. Fredrick Ivor Bendle | Managing Director & CEO | 05 | 03 | Yes | Nil | Nil |
| Dr. P.J. George | Non-Executive Independent Director | 05 | 05 | Yes | Nil | Nil |
| Mr.T.R.Ramasamy | Non-Executive Independent Director | 05 | 05 | Yes | Nil | Nil |
| Ms.Vijayapriya | Non Executive, Non- Independent and Woman Director | 05 | 02 | No | Nil | Nil |
| Mr. Bhavesh Rameshlal Chauhan | Managing Director & CEO | 04 | 02 | No | Nil | Nil |

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

| No. of meetings | Dates on which hold |
|-----------------|--|
| 05 | 29 th May 2015, 24 th July 2015, 19 th August 2015, 13 th November 2015 and 16 th February 2016 |

d) Details of Shareholding of Directors as on March 31, 2016

| S.No. | Name of the Director | No. of Equity Share |
|-------|-------------------------------|---------------------|
| 1 | Mr. Bhavesh Rameshlal Chauhan | Nil |
| 2 | Dr.P.J.George | 1,20,000 |
| 3 | Mr. T.R.Ramasamy | Nil |
| 4 | Mr. Fredrick Ivor Bendle | Nil |
| 5 | Ms.Vijayapriya | Nil |

There are no other shares or convertible instruments held by any other directors.

Information about the directors proposed to be appointed / re-appointed required to be furnished in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 is forming part of the notice of the Twenty Fourth Annual general meeting to the shareholders of the Company.

4. Limit and tenure of Independent Directorships:

As per the declaration furnished by the Independent Director as on 31st March 2016 none of the Independent Director is/are serving as an independent director of more than seven listed companies and none of the independent director of the company presently serving as a whole time director in any listed company.

Their tenure of appointment of independent Directors are well within the maximum terms prescribed in the listing agreement.

5. Letter of appointment to Independent Directors:

The Company has issued formal letter of appointment to independent directors in the manner as provided in the Companies Act, 2013 and the letter of appointment along with the detailed profile of independent director has been disclosed on the websites of the company with due intimation to the Stock Exchanges within the prescribed time.

6. Performance evaluation of Independent Directors:

The Board constantly evaluates the contribution of the members and periodically update with the shareholders about their reappointment in consistent with applicable laws. One of the key function of the Board is to monitor and review the Board evaluation framework. The evaluation criteria for performance evaluation of independent directors has been laid down by the Nomination Committee and the same is annexed to the Annual Report.

The performance evaluation of independent directors has been done by the entire Board of Directors (excluding the director being evaluated) at their meeting held on 16th February 2016.

7. Separate meetings of the Independent Directors:

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and the provision of schedule IV of the Companies Act, 2013 and the rules made there under, the independent Directors of the company shall hold at least one meeting in a year without the attendance of non-independent directors and members of management. All the independent directors of the company shall strive to be present at such meeting. The independent Directors at their meeting held on 31st March 2016 inter alia reviewed the following:

1. Evaluation of the performance of Non Independent Directors and the Board of Directors as a Whole;
2. Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non Executive Directors.
3. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the independent Directors were present at the meeting.

8. Availability of Information to the Board Members

As required by and in adherence to the Secretarial Standards, adequate notice to all the Directors was given well in advance to schedule a Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance to all the directors. Board Meetings were held at the Registered Office of the Company. Additional meetings of the Board were held when deemed necessary by the Board. The minimum information as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 were being made available to the Board. The Board has unrestricted access to all companies related information. At the Board meetings, Auditors, officers and senior management and representatives who can provide additional insight into the items being discussed are invited.

9. Training of Independent Directors:

As required under listing agreement all new Non Executive directors appointed to the Board are introduced to our company culture through appropriate orientation sessions. Presentation was made by our company's executives directors and senior management to provide an overview of company's operation and to familiarize the new Non executive Directors with the company, organization structure, our service, Group structure, subsidiaries, Board Procedures, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model etc.

10. Stock Option

The Company has no Employee Stock Option Scheme.

11. Review of Compliances Report:

The Board periodically reviews compliance reports of all laws applicable to the Company. Adequate systems and process commensurate with the size and operation of the Company to monitor and compliance of all applicable laws, rules, regulations and guidelines are in place.

12. Replacement of Independent Directors removed or resigned:

During the year under review, no independent director has resigned or is removed from the Board of the Company.

13. Succession Plan

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, a succession plan is being examined for orderly succession for appointments to the Board and to senior management to ensure and maintain an appropriate balance of skills, experience and expertise on the Board and senior management.

14. Familiarisation Programmes

At the time of their appointment, the Independent Directors are apprised of their role, duties and responsibilities in the Company. A detailed letter of appointment is also issued which set-outs the expectations of the Company, the rights, powers and liabilities of the Independent Director and the policies of the Company to be adhered by them.

Periodic presentations are made to the Independent Directors on the financial and operational performance of the Company, strategy and business plan, significant process improvements and material business developments among others. The Independent Directors are also regularly updated and informed about material regulatory and statutory developments affecting the Company. The details of familiarisation programmes for the Independent Directors are also disclosed on the website of the Company at <http://www.calsoftgroup.com>.

15. 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. In short, the terms of reference, powers and duties and the functioning of Audit Committee is in accordance with the provisions of Companies Act, 2013 and in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

b) **Composition of the Committee:**

The current composition is:

- 1) Mr. T R Ramasamy, Chairman
- 2) Dr. P J George, Member
- 3) Mr. Bhavesh Rameshlal Chauhan, Member (Upto 13th November 2015)
- 4) Mrs. Vijayapriya

c) **Meetings and attendance during the year:**

The Committee held four meetings, on 29th May 2015, 24th July 2015, 13th November 2015 and 16th February 2016. The statutory auditors of the Company were also invited to attend the Audit Committee meetings.

16. Nomination, Remuneration and Governance 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:**

The Committee consist of three Directors

- 1) Dr P J George, Chairman
- 2) Mr. T R Ramasamy,
- 3) Ms. Viajayapriya

c) **Meetings and attendance during the year:**

One Meeting was held on 13th November 2015.

d) **Remuneration Policy:**

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

e) Details of remuneration paid to Directors during the year 2015-2016:

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 (Upto 13 th November 2015) | - | - | - | - | 1 month | - | - | - |
| 2 | Dr. P J George | Director | - | - | - | - | - | - | - | Sitting fees were paid for Board and committee meetings attended |
| 3 | T R Ramasamy | Director | - | - | - | - | - | - | - | Sitting fees were paid for Board and committee meetings attended |
| 4 | Fredrick Ivor Bendle | Managing Director & CEO (w.e.f 13 th November 2015) | - | - | - | - | - | - | - | Nil |
| 5 | Vijayapriya | Director | - | - | - | - | - | - | - | Sitting fees were paid for Board and committee meetings attended |

17. Stakeholder Relationship Committee:

A Stake Holders Relationship Committee in line with SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended read with section 178(5) of the Companies Act, 2013, comprising with the following members

1. Dr. P J George, Chairman
2. Mr. T P Ramasamy, Member and
3. Mr. Bhavesh Rameshlal Chauhan (Upto 13th November 2015)
4. Mr. Fredrick Ivor Bendle (From 13th November 2015)

Dr. P J George, Chairman of the Stake Holders Relationship Committee was present at the Annual General Meeting held on 19th August 2015. The Stakeholders Relationship Committee of the Board of Directors deals with stakeholder relations and security holders grievances including matters related to transfer, split, consolidation, dematerialisation and re-materialisation of shares. non-receipt of annual report, non-receipt of declared dividend and such other issues as may be raised by the investors from time to time. It ensures that investor grievances / complaints / queries are redressed in a timely and effective manner and to the satisfaction of investors. The Committee oversees the performance of the Registrar and Share Transfer Agents of the Company relating to investor services and recommends measures for improvement.

The role and terms of reference of the Committee are in consonance with the requirements mandated under Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Mr. Jitendra Kumar Pal, Company Secretary is the compliance officer. Details regarding the number of shareholders' complaints received, number not solved to the satisfaction of shareholders and the number of pending share transfers are provided in the "Shareholder Information" section of this report.

18. Risk Management Committee

In compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 the company during Financial year 2015-16, through its Board of Directors duly constituted a Risk Management Committee. The committee had duly laid down the procedures to inform Board members about the risk assessment and minimization procedures. The roles and responsibilities of the Risk Management Committee is defined in the risk management policy which can be accessed at the website www.calsoftgroup.com.

The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.

The committee consists of the Independent Directors Mr.P J George and Mr.T R Ramasamy. In order to ensure that management controls risk through means of properly defined frame work a report on Risk Management and minimization procedures are received from the individual functional heads of the Company and placed before the Committee.

The Risk Management Committee of the Board of the Directors is entrusted with the responsibility of establishing policies to monitor and evaluate the risk management systems of the Company.

Meetings

The quorum for the meeting shall be any two members present at the meeting. The quorum for the meeting shall be any two members present at the meeting. During the financial year 2015-16, the Committee met on 31st March 2016.

| Name of the Director | No. of meetings | |
|----------------------|-----------------|----------|
| | Held | Attended |
| Dr P J George | 1 | 1 |
| Mr. T R Ramasamy | 1 | 1 |

The Company Secretary and Compliance Officer of the Company, acted as the secretary to the Committee.

19. Disclosures**19.1- Related Party Transactions**

In terms of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board of Directors has formulated a Policy on materiality on Related Party Transactions and also dealing with Related Party Transactions. The objective of this Policy is to set out (a) the materiality thresholds for related party transactions and; (b) the manner of dealing with the transactions between the Company and its related parties based on the Act and in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The Policy can be accessed from the website of the Company at www.calsoftgroup.com (weblink). All the related party transactions are periodically placed before the Audit Committee for the approval. The disclosure of related party transactions is part of the Notes to Accounts section of Financial Statements.

19.2- Subsidiary Monitoring Framework

As on 31st March 2016, the company has only one subsidiary viz., Aspire Communications Private Limited. The Company monitors performance of subsidiary companies inter alia, by the following means;

- Financial statements, in particular the investments made by the unlisted subsidiary companies, are reviewed quarterly by the audit committee of the Company.
- All minutes of Board Meetings of the unlisted subsidiary companies are placed before the Company Board regularly.
- A Statement containing all significant transactions and arrangements entered into by the unlisted subsidiary companies is placed before the Company Board.

20. Code of Conduct

In compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and companies Act, 2013 the Company has laid down a Code of Conduct (Code) for all the Board Members and Senior Management Personnel of the Company. The Code is also posted on the Website of the Company www.calsoftgroup.com. All Board Members and Senior Management Personnel have affirmed their compliance with the Code for the financial year ended 31st March, 2016. A declaration to this effect signed by Fredrick Ivor Bendle, Managing Director and Chief Executive Officer, of the Company forms part of this report.

Confirmation of the Code of Conduct by Chief Executive Officer

This is to confirm that the Company has adopted a Code of Conduct for its Board members and senior management personnel and the same is available on the Company's website.

I confirm that the Company has, in respect of the financial year ended March 31, 2016, received from the senior management personnel of the Company and the members of the Board, a declaration of compliance with the Code of Conduct as applicable to them.

Name : Fredrick Ivor Bendle
 Designation : Managing Director and Chief Executive Officer
 Place : Chennai
 Date : 12th August 2016

21. Code of Conduct for Prevention of Insider Trading

The Company is in the process of introducing a Code of Conduct in accordance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations 2015. The new code will be displayed in the company's web site as soon as it is approved. In the meantime, the Company is taking care to ensure that the provisions relating to Insider Trading as stipulated in Section 195 of the Companies Act, 2013 and the SEBI Regulations are fully adhered to.

22. Vigil Mechanism/ Whistle Blower Policy:

In compliance with Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Audit Committee, approved an Whistle Blower Policy that provides a formal mechanism for all stakeholders, directors and employees of the Company to approach the Chairman of the Audit Committee of the Company and make protective disclosures about the unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. Details of policy can be accessed at the company's web site www.calsoftgroup.com.

23. Compliances

There has been no occurrence of non-compliance of any legal requirements nor has there been any restriction imposed by any stock exchange, SEBI, on any matter relating to the capital market. The Company has complied with the requirements of the stock exchanges / SEBI / any other statutory authority on all matters related to capital markets. There are no material penalties or strictures imposed on the Company by the stock exchanges / SEBI / any other statutory authority relating to the above.

24. Management Discussion and Analysis Report

The Management Discussion and Analysis Report forms part of the Annual Report. It includes among others a discussion on the following matters:

- Industry structure and developments
- Risks and concerns
- Discussion on financial performance with respect to operational performance

25. CEO / CFO Certificate

The Managing Director of the Company has issued a certificate pursuant to the provision of Regulation 17(8) in terms of Schedule II part B of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and the same was taken on record by the Board at its meeting held on 13th June 2016.

26. Remuneration to Statutory Auditors

During the financial year 2015-2016, the details of the fees paid to the Statutory Auditors of the Company are as follows:

| | (in ₹) |
|--|------------------|
| Audit fees [includes fees for quarterly reviews] | 1,450,000 |
| Other services | 395,000 |
| Out of pocket expenses (excluding service tax) | Nil |
| Total | 1,845,000 |

27. Non-compliance of any requirement of corporate governance:

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This Corporate Governance Report of the Company for the year 2015-16 is in compliance with the requirements of Corporate Governance under of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with BSE Limited and National Stock Exchange of India Limited or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

28. Discretionary requirements-Part E of Schedule II**28.1 - The Board**

The Chairman of the Board of Directors is a Non Executive and no separate office have been provided to the Non Executive Chairman.

28.2 - Shareholders Rights

The half-yearly declaration of financial performance together with the summary of significant events are not individually disseminated to the shareholders. However, the information on financial and business performance is updated in the 'Investors' section of the Company's website, www.calsoftgroup.com, on a quarterly basis.

28.3 - Audit Qualifications

The audited financial statements of the Company for the financial year 2015-2016 contains some qualificatory remarks which have been duly replied in the Board's Report. The Secretarial Audit Report do not contain any qualifications and the Audit Report does not contain any adverse remarks.

28.4 - Separate posts of Chairman and CEO

The Company has appointed separate persons to the post of Chairman and CEO.

28.5 - Reporting of Internal Auditor

The Internal Auditor reports to the Audit Committee of the Board of Directors of the Company. The Audit Committee is empowered to hold separate meetings and discussions with the Internal Auditor.

29. General Body Meetings:**a) Location and time where last three Annual General Meetings were held:**

| Year | Date | Venue | Time |
|---------|---------------------------------|---|-----------|
| 2012-13 | 30 th September 2013 | Robert V Chandran Tower, 149, Velacherry Tambaram Main Road, Pallikarnai, Chennai - 600 100 | 10.00 a.m |
| 2013-14 | 27 th November 2014 | Robert V Chandran Tower, 149, Velacherry Tambaram Main Road, Pallikarnai, Chennai - 600 100 | 11.00 a.m |
| 2014-15 | 19 th August 2015 | 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 2012-13 - Nil

year 2013-14 - Nil

year 2014-15 - Nil

No Extraordinary General Meetings were held during the financial year.

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 postal ballot was conducted during the year.

30. 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

31. Means of Communication:

Quarterly results / other information

The quarterly results are normally published in newspapers 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.

32. General Shareholder Information

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

33. Disclosure of Accounting Treatment

No treatment different from that prescribed in an Accounting Standard have been followed by the Company.

34. Disclosure to the shareholders

As per the requirement of section 152(6) of the Companies Act, 2013, Dr.P.J.George retire by rotation and eligible for reappointment. As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 the Quarterly results and presentations made by the company to analysts has disclosed on company's web-site.

35. COMPLIANCE OFFICER

Company Secretary, is the Compliance Officer for complying with the requirements of Securities laws and Listing Agreements with the BSE Limited and National Stock Exchange of India Limited, the Stock Exchanges where equity of the Company are listed.

36. Recommendation of Dividend and Dividend Payment Date

No Dividend is proposed to be declared at the ensuing Annual General Meeting.

37. GENERAL SHAREHOLDER'S INFORMATION

Financial calendar (Tentative)

| | |
|---|--|
| Financial Year | April 01, 2015 to March 31, 2016 |
| Calendar of Board meetings for the financial year (Tentative and subject to change) | |
| First Quarter Result | 2 nd week of August |
| Second Quarter Result | 2 nd week of November |
| Third Quarter Result | 2 nd week of February |
| Fourth Quarter Result | 4 th week of May |
| Date of Book Closure | 22 nd September 2016 to 28 th September 2016 |
| Annual General Meeting | |
| Date | 28 th September 2016 |
| Day | Wednesday |
| Time | 09.30 a.m. |
| Venue | Robert V Chandra Towers, 2 nd Floor, 149, Velachery Tambaram Main Road, Pallikaranai, Chennai-600100 |
| Dividend Payment Date | Not Applicable |
| Stock code | 532386 BSE Calsoft - NSE |
| Listing at | The Company's securities are listed with BSE Limited, Mumbai and NSE and it has paid the respective annual listing fees up-to-date and there are no arrears. |
| | There is no share of the company which remains unclaimed and lying in the escrow account. |
| Demat ISIN | INE526B01014 |
| Listing fee | Annual listing fee for the year 2015 - 2016 has been duly paid to the exchange |
| Outstanding GDRs/ADRs/Warrants or any Convertible instrments, conversion date and likely impact on equity | As on March 31, 2016 the Company does not have any Outstanding GDRs/ADRs/Warrants or any Convertible instruments, |
| Reconciliation of Share Capital Audit | In terms of Regulation 55A of the SEBI (Depositories and Participants) Regulations, 1996, reconciliation of Share Capital Audit is conducted every quarter by Mr. P. Krishna Kumar Company Secretaries reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital and the report is forwarded to the Stock Exchanges where the shares of the Company are listed. |
| Custodial Fees | The Company has paid custodial fees for the year 2015-16 to NSDL and CDSL on the basis of the number of beneficial accounts maintained by them. The custodial fees for the year 2016-17 to NSDL and CDSL will be paid upon demand. |
| Proceeds from public / rights / preferential issues, etc., | The Company does not have any unutilized money raised through Public / Rights / Preferential Issues, etc. |

38. STOCK PRICE MOVEMENT

| Month | National Stock Exchange (NSE) | | BSE | |
|--------|-------------------------------|------|-------|------|
| | High | Low | High | Low |
| Apr-15 | 6.65 | 6.05 | 5.5 | 4.32 |
| May-15 | 5.75 | 5.75 | 5.1 | 3.35 |
| Jun-15 | 5.75 | 5.5 | 6.14 | 4.2 |
| Jul-15 | 6 | 5.2 | 5.8 | 4.28 |
| Aug-15 | 5.95 | 4.85 | 6.84 | 5.25 |
| Sep-15 | 6.7 | 4.7 | 8.44 | 5.23 |
| Oct-15 | 12.25 | 7 | 12.4 | 8.42 |
| Nov-15 | 12.3 | 8.3 | 13.52 | 8.46 |
| Dec-15 | 11.6 | 9.6 | 13.34 | 9.71 |
| Jan-16 | 13.75 | 9.1 | 16.11 | 8.73 |
| Feb-16 | 10.2 | 7.05 | 10.05 | 7.41 |
| Mar-16 | 8.5 | 6.5 | 8.49 | 6.7 |

39. INSIDER TRADING

The Company has formulated and published in its website, a code of conduct of Practices and Procedures for Fair Disclosure of Unpublished Sensitive Information (UPSI) and a Code of Conduct to regulate, monitor and report trading,

40. DEMATERIALISATION OF SHARES AND LIQUIDITY

The Equity shares of the company are made available for Dematerialisation under depository system operated by the Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL). The shares of your company are under Compulsory Demat settlement mode and can be traded only in the demat form. Shares Dematerialised up to March 31, 2016 are as under:

| S. No. | Particulars | No. of Shares | % of total issued capital |
|--------|---------------------------------------|---------------|---------------------------|
| 1 | Listed Capital | 12365006 | 100 |
| 2 | Held in Dematerialisation form - NSDL | 11754992 | 95.07 |
| 3 | Held in Dematerialisation form - CDSL | 491134 | 3.97 |
| 4 | Physical shares | 118880 | 0.96 |

Considering the advantage of dealing in shares in electronic/ dematerialized form, shareholders still holding shares in physical form are requested to dematerialize their shares at the earliest. For further information clarification/ assistance in this regard, please contact M/s.Integrated Enterprises (India) Limited, the Registrar and Share Transfer Agent or the Company Secretary, California Software Company Limited. As per the direction of SEBI, equity shares of the Company can be traded by all the investors only in Dematerialised form.

41. REGISTRAR AND SHARE TRANSFER AGENTS (RTA)

To expedite the process of share transfers, the Board of the company has delegated the power of share transfer to the registrar and share transfer agents as detailed below: Pursuant to regulations 53A of the Securities and Exchange Board of India (Depositories & Participants) Regulations, 1996, the Company has appointed Integrated Enterprises (India) Limited, a SEBI registered Agency as the Common Registrar and Share Transfer Agent of the Company for both physical and dematerialized segments. Their complete address is as under

M/s. Integrated Enterprises (India) Limited
2nd Floor, Kencees Towers,
1, Ramakrishna Street,
North Usman Road,
T Nagar, Chennai-600017
Phone No.044-28140801 to 28140803,
Email: corpseiv@integratedindia

42. SHARE TRANSFER SYSTEM

The shares of the Company are traded on the Stock Exchange through the Depository System. The demat ISIN in National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) is INE526B01014.

All requests received by the Company / RTA for dematerialization / re-materialization, transfer, transmissions, subdivision, consolidation of shares or any other share related matters and / or change in address are disposed off expeditiously.

43. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2016

| No. of Shares held | No. of Holders | % of Shareholders | Total No. of Shares | % of Equity Shareholding |
|--------------------|----------------|-------------------|---------------------|--------------------------|
| Upto 500 | 2976 | 83.83 | 359078 | 2.90 |
| 501-1000 | 266 | 7.49 | 215049 | 1.74 |
| 1001-2000 | 133 | 3.75 | 202459 | 1.64 |
| 2001-3000 | 52 | 1.46 | 131571 | 1.06 |
| 3001-4000 | 18 | 0.51 | 65159 | 0.53 |
| 4001-5000 | 19 | 0.54 | 90663 | 0.73 |
| 5001-10000 | 50 | 1.41 | 375698 | 3.04 |
| 10000 and above | 36 | 1.01 | 10925329 | 88.36 |
| | 3550 | 100.00 | 12365006 | 100.00 |

As required under circular No.D&CC/FITTC/CER-16/2004 dated 31st December 2004 issued by the Securities Board of India, the Company has appointed a Practicing Company Secretary to do the Secretarial audit report was placed before the Board and sent forthwith to Stock Exchange for their information and record.

44. CATEGORIES OF SHAREHOLDINGS AS ON MARCH 31, 2016

| S.No. | Category of Shareholders | No. of Shares held | Percentage of holdings |
|-------|---|--------------------|------------------------|
| 1 | Promoters | 8743911 | 70.71 |
| 2 | Body Corporate | 554064 | 4.48 |
| 3 | Individual shareholders holding nominal share capital upto Rs.1 lakh | 1375957 | 11.13 |
| 4 | Individual shareholders holding nominal share capital excess of Rs.1 lakh | 1684787 | 13.63 |
| 5 | Clearing Members | 6287 | 0.050 |
| | Total | 12365006 | 100 |

45. MAJOR SHAREHOLDERS

Details of shareholders holding more than 1% of the paid up capital of the company as on March 31, 2016 are given below:

| Name of the Shareholder | No. of Shares | Percentage of Paid up capital | Category |
|--|---------------|-------------------------------|----------|
| CHEMOIL ADVANCED MANAGEMENT SERVICES P LTD | 449178 | 3.63 | Public |
| SANTHOSH.S | 336743 | 2.72 | Public |
| JAYASHREE S | 175163 | 1.42 | Public |
| NANDINI J NATHANI | 164800 | 1.33 | Public |
| ADIL NATHANI | 163400 | 1.32 | Public |
| RAVINDRA KRISHNAPPA | 126867 | 1.03 | Public |

46. CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, 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.

47. COMPANY REGISTRATION DETAILS

The Company is registered in the state of Tamil Nadu. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L72300TN1992PLC022135

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (MDA)

a. Industry structure and developments

Global Economy - Review and outlook

After years of stagnation, the global economy showed small signs of recovery, albeit in pockets. USA, Germany, UK etc led the way with sustained growth indices. However Japanese economy remained stagnated and most European countries were faced with continuing contraction in demand. The sustainability and resilience of overall Global economic recovery is challenged by several serious geopolitical developments.

According to International Monetary Fund (IMF), average growth in emerging markets and developing economy economies is expected to pick gradually from 4 % in 2015 to about 4.1% in 2016 and to 4.6% in 2017. The baseline projection for global growth in 2016 is projected at a promising 3.2%, though broadly in line with that in 2015. The recovery is projected to strengthen in 2017 and beyond, driven by growth recovery in major economies in western nations coupled with gradual easing of the stressed economies of many nations.

Indian Economy - Review and outlook

On the back of prudent monetary policies of RBI and incremental fiscal reforms being carried out by the Government, the Indian economy has emerged as a bright spot, becoming one of the fastest growing large economies in the world. The 7.6% growth in GDP at constant market prices in 2015-16, according to the advanced estimates of the Central Statistics Office shows a sustained growth impetus, when compared to the figures of the previous 3 years: 7.3% in 2015, 7.2% in 2014 and 6.6% in 2013.

b. Opportunities and threats

The Company has stopped its business operation and the only income was rental income during the year.

c. Segment wise performance

For the financial year under consideration, your company has reported revenue only from rental income. The company has stopped entirely its principal activity of providing software development and its sales and services and hence current year there is no segment wise reporting, Previously the Company's operations predominantly related to providing development of software to customers globally operating in various industry segments.

d. Outlook

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, 2016, only one employee is in the roles of the Company.

h. Financial and performance highlights (Consolidated)

- a. **Revenues:** Sales revenues for the year ended 31st March 2016 was ₹ 3.68 crores as compared to ₹ 3.69 crores for the same period last year.
- b. **Total Expenses:** Total expenses for the year ended 31st March 2016 was ₹ 5.02 crores as compared to ₹ 17.75 crores for the previous year.
- c. **Profit before exceptional and extra-ordinary items and Tax:** Profit before Tax was ₹ (13.40) crores for the year ended 31st March 2016 as compared to ₹ (14.06) crores for the previous year.
- d. **Exceptional items:** It consists of prior period expenses and prior period depreciation due to change in depreciation policy for the year ending 31st March 2016 was ₹ (0.17) Crores compare to ₹ 1.04 Crores for the previous year.
- e. **Profit before extra-ordinary items and Tax:** Profit after tax was ₹ (1.17) crores for the year ended 31st March 2016 as compared to ₹ (15.10) crores for the previous year.
- f. **Finance Costs:** Interest and finance charges for the year ended 31st March 2016 was ₹ 6.99 crores as compared to ₹ 9.01 crores for the previous year.
- g. The Company has Paid up share capital of ₹ 12.36 Crores, comprising of 1,23,65,006 equity shares of ₹ 10 each
- h. Long term borrowing outstanding was Nil as compared to ₹ 25.08 Crores in the previous year.
- i. **Fixed Assets (Tangible):** There are no fixed assets as at 31st March 2016 as compared to ₹ 41.973 crores of the previous year.

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.

FREDERICK IVOR BENDLE
Managing Director & CEO

Date: 12th August, 2016

CEO CERTIFICATION

I Frederick Ivor Bendle Managing Director and CEO certify that:

- a. I have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief :
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. To the best of our knowledge and belief, no transactions entered into by the company during the year ended 31st March 2016 are fraudulent, illegal or violative of the company's code of conduct.
- c. I accept responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which I am aware have been disclosed to the auditors and Audit Committee and the steps have been taken or proposed to take to rectify these deficiencies.
- d.
 - i) There has not been any significant change in internal control over financial reporting during the year under reference.
 - ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements.
 - iii) I was not aware of any instance during the year of any significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

FREDERICK IVOR BENDLE
Managing Director & CEO

Place : Chennai

Date : 12th August, 2016

Consolidated Financial Statements

1. Auditors' Report
 2. Balance Sheet
 3. Profit and Loss Account
 4. Notes
 5. Cashflow Statement
-

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

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **CALIFORNIA SOFTWARE COMPANY LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2016 the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2016, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the following matters in the Notes to the financial statements:

1. Note 23 and 24, which indicate that the Holding Company has accumulated losses and its net worth has been fully eroded, the Holding Company has incurred a net loss during the current and previous years and, the Holding Company's current liabilities exceeded its current assets as at the balance sheet date. These conditions, along with other matters set forth in Note 23, indicate the existence of a material uncertainty that may cast significant doubt about the Holding Company's ability to continue as a going concern.
2. Note no. 32 to the financial statement regarding write back of Account Payables to CSWL Inc wholly owned subsidiaries of the Standalone Company amounting to ₹ 423679401.74 and the equity shares of the said company amounting to ₹ 307202843/- due to the winding up of the company during the year.
3. Note no. 37 to the consolidated financial statement regarding unsecured loans from Associate companies amounting to ₹ 369679876/-

Our opinion is not modified in respect of this matter

Report on Other Legal and Regulatory Requirements

1. As the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-Section (11) of section 143 of the Act, is not applicable to consolidated financial statements, we have not given our comments based on this order.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) Matters described in sub-paragraphs under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company
 - (f) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Chennai
13th June 2016

For and on behalf of
N. Balasubramanian Associates
Chartered Accountants
F.No. 0355S
N. Balasubramanian
Partner
Membership No: 023445

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2016

| Particulars | Note No. | 31.03.2016 ₹ | 31.03.2015 ₹ |
|---|----------|----------------------|----------------------|
| I. EQUITY AND LIABILITIES | | | |
| 1. Shareholders' funds | | | |
| (a) Share capital | 1 | 123,650,060 | 123,650,060 |
| (b) Reserve and surplus | 2 | (435,689,686) | (329,290,519) |
| (c) Money received against share warrants | | - | - |
| Total | | (312,039,626) | (205,640,459) |
| 2. Share application money pending allotment | | - | - |
| 3. Non-Current liabilities | | | |
| (a) Long-term borrowings | 3 | - | 250,806,819 |
| (b) Deferred tax liabilities (Net) | | - | - |
| (c) Other Long term liabilities | | - | - |
| (d) Long-term provisions | | - | - |
| Total | | - | 250,806,819 |
| 4. Current liabilities | | | |
| (a) Short-term borrowings | 4 | 369,679,876 | 246,936,135 |
| (b) Trade payables | 5 | 2,563,538 | - |
| (c) Other Current Liabilities | 6 | 1,454,097 | 200,023,080 |
| (d) Short-term provisions | 7 | 240,758 | 1,873,903 |
| Total | | 373,938,269 | 448,833,118 |
| TOTAL | | 61,898,643 | 493,999,478 |
| II. ASSETS | | | |
| 1. Non-current assets | | | |
| (a) Fixed Assets | | | |
| (i) Tangible assets | 8 | - | 419,714,941 |
| (ii) Intangible assets | | - | - |
| (iii) Capital work-in-progress | | - | - |
| (iv) Intangible assets under development | | - | - |
| (b) Non-current investments | 9 | 5,500 | 23,000 |
| (c) Deferred tax assets (net) | | - | - |
| (d) Long-term loans and advances | 10 | 60,677,278 | 55,991,053 |
| (e) Other non-current assets | 11 | - | - |
| Total | | 60,682,779 | 475,728,994 |
| 2. Current assets | | | |
| (a) Current investments | | - | - |
| (b) Inventories | | - | - |
| (c) Trade receivable | 12 | - | - |
| (d) Cash and cash equivalents | 13 | 1,215,864 | 3,518,152 |
| (e) Short-term loans and advances | 14 | - | 100,627 |
| (f) Other current assets | 15 | - | 14,651,704 |
| Total | | 1,215,864 | 18,270,484 |
| TOTAL | | 61,898,643 | 493,999,478 |

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 N. BALASUBRAMANIAN ASSOCIATES
Chartered Accountants
F. No.0355S

FREDERICK IVOR BENDLE
Managing Director & CEO

Dr. P J GEORGE JITENDRA KUMAR PAL
Director Company Secretary

N. BALASUBRAMANIAN
Partner Membership No. 023445

T R RAMASAMY
Director

Chennai
13th June, 2016

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2016

| Particulars | Note No. | 31.03.2016 | 31.03.2015 |
|---|----------|-------------------|--------------------|
| | | ₹ | ₹ |
| I. Revenue from operations | 16 | - | - |
| II. Other Income | 17 | 36,811,192 | 36,932,328 |
| III. Total Revenue (I+II) | | 36,811,192 | 36,932,328 |
| IV. Expenses: | | | |
| Employee benefits expense | 18 | 1,216,642 | 1,242,326 |
| Operation and Other Expenses | 19 | (20,952,432) | 60,680,138 |
| Finance Costs | 20 | 69,942,605 | 90,134,977 |
| Depreciation & Amortization | 21 | - | 25,425,157 |
| Total Expenses | | 50,206,815 | 177,482,598 |
| V. Profit before exceptional and extraordinary items and tax (III-IV) | | (13,395,623) | (140,550,270) |
| VI. Exceptional Items | 22 | (1,650,683) | 10,448,230 |
| VII. Profit before extraordinary items and Tax (V-VI) | | (11,744,940) | (150,998,500) |
| VIII. Extraordinary items | | - | - |
| IX. Profit before Tax (VII-VIII) | | (11,744,940) | (150,998,500) |
| 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) | | (11,744,940) | (150,998,500) |
| 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) | | (11,744,940) | (150,998,500) |
| Less Minority Interest | | - | - |
| XV. Profit / (Loss) for the period (XI+XIV) | | (11,744,940) | (150,998,500) |
| XVI Earnings per equity share: | | | |
| (1) Basic | | (0.95) | (12.21) |
| (2) Diluted | | (0.95) | (12.21) |

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 N. BALASUBRAMANIAN ASSOCIATES
Chartered Accountants
F. No.0355S

FREDERICK IVOR BENDLE
Managing Director & CEO

Dr. P J GEORGE
Director

JITENDRA KUMAR PAL
Company Secretary

N. BALASUBRAMANIAN
Partner Membership No. 023445

T R RAMASAMY
Director

Chennai
13th June, 2016

CONSOLIDATED NOTES ON ACCOUNTS

| | As at 31-Mar-16 | As at 31-Mar-15 |
|---|----------------------|----------------------|
| | ₹ | ₹ |
| 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 | 44,120,757 | 27,483,926 |
| Add: Current Year | (44,120,757) | 16,636,831 |
| Closing balance | - | 44,120,757 |
| 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 | (1,072,566,700) | (921,568,200) |
| Add: Profit / (Loss) for the year | (11,744,940) | (150,998,500) |
| Less: Surplus / Deficit of disinvested subsidiary(CSWL) | 50,533,470 | - |
| Closing balance | (1,134,845,121) | (1,072,566,700) |
| Total | (435,689,686) | (329,290,519) |

CONSOLIDATED NOTES ON ACCOUNTS

| | As at 31-Mar-16 | As at 31-Mar-15 |
|--|--------------------|--------------------|
| | ₹ | ₹ |
| 3 LONG-TERM BORROWINGS | | |
| Term loans | | |
| From banks | | |
| Secured | | |
| Canara Bank Building Term Loan | – | 250,806,819 |
| Sanoma National Bank - Building | – | – |
| Total | – | 250,806,819 |
| 4 SHORT-TERM BORROWINGS | | |
| Loans repayable on demand | | |
| Glencore Loan | – | 65,000,000 |
| Chemoil Advanced Management Services Pvt Ltd | 251,543,716 | 107,880,399 |
| Chemoil Information Services Pvt Ltd | 23,491,356 | 21,500,000 |
| Chemoil International Pte Ltd | 69,247,076 | 28,528,883 |
| Chemoil Europe B.V | 25,397,728 | 24,026,853 |
| Total | 369,679,876 | 246,936,135 |
| 5 TRADE PAYABLES | 2,563,538 | – |
| 6 OTHER CURRENT LIABILITIES | | |
| (a) Current maturities of long-term debt | – | 92,500,000 |
| (b) Term Loan Instalments overdue for payment | – | 18,750,000 |
| (c) Interest accrued but not due on borrowings | – | – |
| (d) Interest accrued and due on borrowings | – | 15,930,209 |
| (e) Income received in advance (Unearned revenue) | – | – |
| (f) Unpaid dividends | 103,172 | 215,161 |
| Rent Deposits | – | 25,227,174 |
| (i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.) | – | – |
| TDS Payable | 156,500 | (4,711) |
| CST&VAT | – | – |
| EPF | 1,925 | – |
| Service tax | – | – |
| Other expenses Payable | 1,192,500 | 47,405,247 |
| Advance for sale of building | – | – |
| Total | 1,454,097 | 200,023,080 |
| 7 SHORT-TERM PROVISIONS | | |
| IT Provision | 105,480 | 1,756,163 |
| Provision for employee benefits | 135,278 | 117,740 |
| Others (Specify nature) | – | – |
| Total | 240,758 | 1,873,903 |

CONSOLIDATED NOTES ON ACCOUNTS

| 8 Fixed Asset Schedule as at 31st March 2016 | | | | | | | | | | | |
|--|--------------------|-----------|----------------------|-----------------|-----------------------------|--------------|---|----------------------|----------------|-----------------|--------------------|
| Particulars | Gross Block | | | | Depreciation / Amortisation | | | | Net Block | | |
| | as at 31/Mar/15 | Additions | Deletions / Transfer | as at 31/Mar/16 | Upto 31/Mar/15 | For the Year | Prior period depreciation due to change in Dep policy | Deletions / Transfer | Upto 31/Mar/16 | as at 31/Mar/16 | as at 31/Mar/15 |
| Tangible | | | | | | | | | | | |
| Land & Buildings | 556,546,398 | - | 556,546,398 | - | 144,045,090 | - | - | 144,045,090 | - | - | 412,501,307 |
| Plant and machinery | 48,348,505 | - | 48,348,505 | - | 48,348,505 | - | - | 48,348,505 | - | - | - |
| Office equipment | 694,201 | - | 694,201 | - | 673,249 | - | - | 673,249 | - | - | 20,953 |
| Furniture and fittings | 135,110,455 | - | 135,110,455 | - | 127,917,773 | - | - | 127,917,773 | - | - | 7,192,681 |
| Electrical Fittings | 7,856,199 | - | 7,856,199 | - | 7,856,199 | - | - | 7,856,199 | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - |
| Computers and accessories | 111,222,626 | - | 111,222,626 | - | 111,222,626 | - | - | 111,222,626 | - | - | - |
| Total | 859,778,384 | - | 859,778,384 | - | 440,063,442 | - | - | 440,063,442 | - | - | 419,714,941 |

| Total | As at 31-Mar-16 | As at 31-Mar-15 |
|-------|-----------------|-----------------|
| | ₹ | ₹ |

| 9 NON CURRENT INVESTMENTS (AT COST) | | |
|---|--------------|---------------|
| Investment in Unquoted Equity Shares | | |
| Trust money in California Software Employees' Welfare Trust | - | 17,500 |
| NSC | 5,500 | 5,500 |
| Total | 5,500 | 23,000 |

| 10 LONG-TERM LOANS AND ADVANCES | | |
|---|-------------------|-------------------|
| (a) Secured, considered good | | |
| Unsecured, considered good | - | 2,393,075 |
| Doubtful | - | - |
| | - | 2,393,075 |
| Less: Provision for doubtful deposits | - | 2,393,075 |
| (b) Loans and advances to related parties | | |
| Secured, considered good | - | - |
| Unsecured, considered good | - | - |
| Doubtful | - | - |
| Less: Provision for doubtful loans and advances | - | - |
| Total | - | - |
| (i) Other loans and advances (specify nature) | 934,543 | - |
| Secured, considered good | - | - |
| (f) Advance income tax # (net of provisions ₹ 41519871 (As at 31 March, 2011 ₹ 41519871) - Unsecured, considered good | 59,742,735 | 53,597,978 |
| Total | 60,677,278 | 55,991,053 |

CONSOLIDATED NOTES ON ACCOUNTS

| | As at 31-Mar-16 | As at 31-Mar-15 |
|---|------------------|------------------|
| | ₹ | ₹ |
| 11 OTHER NON CURRENT ASSETS | | |
| Minority Interest | - | - |
| | - | - |
| 12 TRADE RECEIVABLES | | |
| Unsecured Considered Good | - | - |
| Considered Doubtful | - | - |
| | - | - |
| Less: Provision for doubtful debts | - | - |
| | - | - |
| Sub Total | - | - |
| | - | - |
| Grand Total | - | - |
| 13 CASH AND CASH EQUIVALENTS | | |
| (a) Cash on hand | 19,907 | 3,394 |
| (b) Cheques, drafts on hand | - | - |
| (c) Balances with banks | - | - |
| (i) In current accounts | 1,092,785 | 3,184,305 |
| (ii) In EEFC accounts | - | 118,947 |
| (iii) In deposit accounts (Refer Note (i) below) | - | - |
| (iv) In earmarked accounts | - | - |
| - Unpaid dividend accounts | 103,172 | 211,508 |
| Balances held as margin money or security against borrowings, guarantees and other commitments other earmarked accounts | - | - |
| (d) Others (specify nature) | - | - |
| | - | - |
| Total | 1,215,864 | 3,518,152 |
| 14 SHORT-TERM LOANS AND ADVANCES | | |
| (c) Loans and advances to employees | | |
| Secured, considered good | | |
| Unsecured, considered good | - | 40,000 |
| Doubtful | - | - |
| (d) Prepaid expenses - Unsecured, considered good (For e.g. Insurance premium, Annual maintenance contracts, etc.) | - | 60,627 |
| (e) Balances with government authorities | - | - |
| Unsecured, considered good | - | - |
| (i) CENVAT credit receivable | - | - |
| (ii) VAT credit receivable | - | - |
| (iii) Service Tax credit receivable | - | - |
| Others | - | - |
| | - | - |
| Total | - | 100,627 |

CONSOLIDATED NOTES ON ACCOUNTS

| | As at 31-Mar-16 | As at 31-Mar-15 |
|---|-------------------|-------------------|
| | ₹ | ₹ |
| 15 OTHER CURRENT ASSETS | | |
| (a) Accruals | | |
| (i) Interest accrued on deposits | – | – |
| (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 | – | – |
| Dividend Receivable | – | – |
| (iv) Others (specify nature) | – | – |
| Rent Receivable | – | 55,695,442 |
| Less Provisions | – | 41,043,738 |
| | – | 14,651,704 |
| Others | – | – |
| Total | – | 14,651,704 |
| 16 REVENUE FROM OPERATIONS | | |
| Sale of products | – | – |
| Sale of services | – | – |
| Other operating revenues | – | – |
| Total | – | – |
| 17 OTHER INCOME | | |
| Other non-operating income comprises: | | |
| Rental income | 30,597,878 | 30,497,921 |
| Interest | – | 85,984 |
| Exchange Gain / Loss | 6,244 | 4,916 |
| Bad debts recovered | 6,162,750 | – |
| Miscellaneous income | 44,320 | 6,343,506 |
| Total - Other non-operating income | 36,811,192 | 36,932,328 |
| 18 EMPLOYEE BENEFITS EXPENSE | | |
| Salaries & Allowances | 1,090,848 | 1,042,749 |
| Contribution to Provident and other funds | 60,960 | 50,488 |
| Staff Welfare Expenses | 45,974 | 31,349 |
| Grtuity Provision | 18,860 | 117,740 |
| Total | 1,216,642 | 1,242,326 |

CONSOLIDATED NOTES ON ACCOUNTS

| | As at 31-Mar-16 | As at 31-Mar-15 |
|--|---------------------|-------------------|
| | ₹ | ₹ |
| 19 OPERATION AND OTHER EXPENSES | | |
| Electricity Charges | – | 112,452 |
| Fees, Rates & taxes | 1,016,266 | 2,022,420 |
| Insurance | – | 348,494 |
| Repairs & Maintenance - Buildings | 2,239,710 | 805,769 |
| Repairs & Maintenance - Plant and Machinery | 952,909 | 1,143,940 |
| Communication Expenses | 17,850 | 324,223 |
| Travelling Expenses | 319,647 | 1,052,474 |
| Audit Fee | 1,959,000 | 1,988,029 |
| Other Audit expenses | – | 295,280 |
| Penalty Fine etc | 662,975 | 2,370,937 |
| Legal ,Professional and Secretarial Expenses | 2,658,235 | 5,702,513 |
| Exchange difference (Net) | 27,014,124 | 21,037,681 |
| Provision for rent receivable | (426,999,283) | 18,926,121 |
| Other write offs | – | 1,262,045 |
| Investments written off | 307,205,343 | 414,594 |
| Other Expenses | 481,986 | 115,924 |
| Loss on sale of assets | 59,714,942 | 4,292 |
| Commission | 1,149,508 | – |
| Bank Charges | 60,521 | 206,179 |
| Other write offs | – | 2,197,278 |
| Office Expenses | 593,835 | 349,493 |
| Total | (20,952,432) | 60,680,138 |
| 20 FINANCE COSTS | | |
| Interest on Term Loan | 51,631,104 | 67,237,382 |
| Interest on Working Capital Loan | – | – |
| Interest Others | 18,311,501 | 22,897,595 |
| Total | 69,942,605 | 90,134,977 |
| 21 DEPRECIATION & AMORTIZATION EXPENSES | | |
| Depreciation | – | 25,425,157 |
| Amortisation Expenses | – | – |
| Total | – | 25,425,157 |

CONSOLIDATED NOTES ON ACCOUNTS

| | As at 31-Mar-16 | As at 31-Mar-15 |
|---|--------------------|-------------------|
| | ₹ | ₹ |
| 22 EXCEPTIONAL ITEMS | | |
| Profit on Sale of Investment | - | - |
| Prior period Expense | - | 5,427,202 |
| Excess provision of IT written off | (1,650,683) | - |
| Service tax credit written off | - | - |
| Other exceptional income | - | - |
| Prior period depreciation due to change in Dep policy | - | 5,021,028 |
| Restatement of AP/AR | - | - |
| Profit on Sale Transfer of Business assets | - | - |
| Fixed Asset Impirement | - | - |
| Total | (1,650,683) | 10,448,230 |

| | March 31, 2016 | March 31, 2015 |
|--|----------------|----------------|
| | | (in ₹) |

23 Going Concern

Holding company has accumulated losses and its net worth has been fully eroded, the Holding company has incurred a net loss during the current and previous years and, the Holding company's current liabilities exceeded its current assets as at the balance sheet date. Holding company is not pursuing its main object of software development and is generating only income from letting out premises owned by it, also the subsidiaries also has stopped their operations. The above factors indicate the existence of a material uncertainty that may cast significant doubt about the Holding company's ability to continue as a going concern.

24 Discontinuing Operation

Though there exists material uncertainty that may cast significant doubt about the Holding Company's ability to continue as a going concern, items falling under the fixed asset category, i.e., building and attached furniture and fixtures, which is used for letting out and the holding company is deriving the rental income, Company is not accounting the Fixed assets, other than building, at Net realisable value as required by Accounting Standard 24, Discontinuing Operations and disclosure of other matters is not made.

25 Basis for preparation of consolidated financial statements

The consolidated financial statements consist of:

- California Software Company Ltd (Parent company incorporated in India)
- 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 Aspire Communications P ltd and its subsidiary Aspire peripherals P ltd have stopped their operations entirely.

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

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

| | (in ₹) | |
|--|----------------|----------------|
| | March 31, 2016 | March 31, 2015 |
| 26 Use of Estimates | | |
| <p>The preparation of consolidated 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 consolidated 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.</p> | | |
| 27 Revenue Recognition | | |
| <p>The group companies are not pursuing the main object, ie, software development. Though there is no revenue from principal activities; rental income in parent company is accounted on accrual basis, however in the case of continuing defaulters provision is being made on all receivables of more than 270 days old. Other receipts are accounted on accrual basis</p> | | |
| 28 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 | | |
| i) Income Tax | 132,001,334 | 59,220,145 |
| ii) Service Tax | 35,52,977 | 3,552,977 |
| 29 Other Financial Information | | |
| California Software company Limited | | |
| a) Sitting fees paid / payable to Directors | 117500 | 0 |
| 30 Foreign Currency Transactions | | |
| <p>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.</p> | | |
| <p>Translation of Financial Statements of the Overseas Subsidiaries denominated in US dollar to Indian rupee.</p> | | |
| <p>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:</p> | | |
| 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. | | |

CONSOLIDATED NOTES ON ACCOUNTS

31 IMPAIRMENT OF FIXED ASSETS

a. Impairment of Investment

The Subsidiary Company Aspire Communications Pvt Ltd stopped its activities and other subsidiary company CSWL Inc was liquidated and the Investments made in CSWL Inc was written off during the year.

b. Impairment of Fixed Assets

No impairment of Fixed Assets as all Fixed assets of the company were sold during the year.

32 TRADE RECEIVABLE AND PAYABLES

Since the company has fully stopped its principal business being Software Development and its sales and service and company have no trade receivables during the year. Trade payables of ₹ 25,63,538/- out of which ₹ 25,49,855 is payable to Associate company Chemoil Energy Limited.

During the Financial Year 2015-16 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 to the extent of ₹ 42,69,99,283/- out of which ₹ 42,36,79,402 relates to CSWL Inc a foreign subsidiary which was liquidated during the year.

33 RENT RECEIVABLE AND PROVISION

Nil

34 INTANGIBLE ASSET

There are no Intangible asset

35 TRANSFER PRICING

As there is no transaction, Transfer pricing is not applicable during the year.

36 DEFERRED TAXATION

Since the going concern can't be said to in existence certainly, deferred tax is not recognized on accumulated losses.

37 UNSECURED LOANS FROM ASSOCIATE COMPANIES

Holding 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 31/03/2016 ₹ | As on 31/03/2015 ₹ |
|--------------|--|---------------------|---------------------|
| 1. | Chemoil Advanced Management Services Pvt Ltd | 25,15,43,716 | 107,880,399 |
| 3. | Chemoil Information Services Pvt Ltd | 23,491,356 | 2,15,00,000 |
| 4. | Chemoil International Pte Ltd | 6,92,47,076 | 2,85,28,883 |
| 5. | Chemoil Europe B.V | 2,53,97,728 | 2,40,26,853 |
| 6. | Glencore | – | 6,50,00,000 |
| Total | | 3,69,679,876 | 24,69,36,135 |

38 SEGMENT REPORTING

Nil

39 The company has stopped entirely its principal activity of providing software development and its sales and services and hence during the year there is no segment wise reporting.

40 Disclosure under AS 15 revised on Employee benefits

California Software co Ltd

The holding company has only one employee for whom PF is being provided as per rules. Gratuity of ₹ 135,278 is provided on the basis of Actuarial Valuation. Based on holding company's policy no provision is being made for leave encashment.

CONSOLIDATED NOTES ON ACCOUNTS

41 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. Fredrick Ivor Bendle |
| 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. Inatech Info Solutions (P) Ltd. Inatech Solutions UK Inatech ME Inatech Solutions Europe Ltd |

| | 2015-16 | 2014-15 |
|----|--|-------------|
| | ₹ | ₹ |
| 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 Holding company. | |
| 1. | Chemoil Advanced management Services P Ltd | |
| | Reimbursement of expenses (electricity Charges) | 2,33,188 |
| | Interest On loan | 8,918,758 |
| | Unsecured Loans | 107,880,399 |
| | Other Payables | 28,074,012 |
| 2. | Chemoil Europe BV | |
| | Unsecured Loans | 24,026,853 |
| 3. | Chemoil Energy Ltd | |
| | Payables | 2,412,223 |
| 4. | Chemoil International Pte Ltd | |
| | Unsecured Loans | 37,888,057 |
| 5. | Chemoil Information Services P Ltd | |
| | Unsecured Loans | 21,500,000 |
| | Other Payables | 1,040,360 |
| 6. | Glencore India Private Limited | |
| | Unsecured Loans Received / Paid | 65,000,000 |
| | Interest Received / Paid | 12,365,569 |

42 Earnings per share

| | | |
|----------------------------------|----------------|----------------|
| Basic Earnings Per Share | | |
| | March 31, 2016 | March 31, 2015 |
| | ₹ | ₹ |
| Weighted average - No. of shares | 12,365,006 | 12,365,006 |
| Profit after Tax | (11,744,930) | (150,998,500) |
| Basic Earnings per Share | (0.95) | (12.21) |

43 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, 2016 | March 31, 2015 |
|--|----------------------|---------------------|
| | (in ₹) | |
| CASH FLOW FROM OPERATIONS | | |
| Net profit before tax and extraordinary and prior period items | (11,744,930) | (150,998,500) |
| Adjustment for: | | |
| Loss on disposal of asset | 59,714,942 | 4,292 |
| Depreciation and Impairments | - | 30,446,186 |
| Deferred expenses written off | - | - |
| Interest Income | 0 | (85,984) |
| Interest expense | 69,942,605 | 90,134,977 |
| Investment Write off | - | - |
| Transfer to reserves | | |
| Minority Interest changes | | |
| TOTAL | 117,912,617 | (30,499,029) |
| Adjustment for: | | |
| Current Assets, Loans and Advances | 10,066,103 | 19,177,732 |
| Current Liabilities & Provisions | (197,638,590) | 46,195,959 |
| Increase/ Decrease in net current asset | (187,572,486) | 65,373,692 |
| Cash generated from operations | (69,659,869) | 34,874,662 |
| Current Taxation | - | - |
| Deferred Taxation | | |
| Other Items to be adjusted | - | - |
| NET CASH FROM OPERATIONS | (69,659,870) | 34,874,661 |
| CASH FLOW FROM INVESTING | | |
| Purchase of fixed Assets net | - | - |
| Cash generated from sale of asset | 360,000,000 | 184,485 |
| Deferred tax Asset | - | - |
| Change in Investments | 17,500 | - |
| Interest Income | - | 85,984 |
| NET CASH USED FOR INVESTING | 360,017,500 | 270,469 |
| CASH FLOW FROM FINANCING | | |
| Loans borrowed (Net of repayment) | (250,806,819) | (110,000,000) |
| Deferred tax liability | - | - |
| Increase in unsecured Loans | 122,743,741 | 136,649,728 |
| Increase in capital | | |
| Increase in Share premium | | |
| Increase / (Decrease) in other reserves | (94,654,235) | 16,843,071 |
| Minority Interest changes | - | - |
| Dividend Tax | - | - |
| Interest Expense | (69,942,605) | (90,134,977) |
| Dividend | - | - |
| NET CASH FROM FINANCING | (292,659,917) | (46,642,178) |
| Net increase/ decrease in cash or cash equivalents | (2,302,288) | (11,497,047) |
| Cash & Cash equivalents at the beginning of the year | 3,518,152 | 15,015,199 |
| Cash & Cash equivalents at the close of the year | 1,215,864 | 3,518,152 |

For N. BALASUBRAMANIAN ASSOCIATES
Chartered Accountants
F. No.0355S

N. BALASUBRAMANIAN
Partner Membership No. 023445
Chennai
13th June, 2016

FREDERICK IVOR BENDLE
Managing Director & CEO

T R RAMASAMY
Director

Dr. P J GEORGE
Director

JITENDRA KUMAR PAL
Company Secretary

Standalone Financial Statements

1. Auditors' Report
 2. Balance Sheet
 3. Profit and Loss Account
 4. Notes
 5. Cashflow Statement
-

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

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **CALIFORNIA SOFTWARE COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its loss and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the following matters in the Notes to the financial statements:

1. Note 26 and 27 in the stand alone financial statements which indicate that the Standalone Company has accumulated losses and its net worth has been fully eroded, the Standalone Company has incurred a net loss during the current and previous year(s) and, the Stand alone Company's current liabilities exceeded its current assets as at the balance sheet date. These conditions, along with other matters set forth in Note 26, indicate the existence of a material uncertainty that may cast significant doubt about the Stand alone Company's ability to continue as a going concern.
2. Note No. 30 to the stand alone financial statement regarding write back of Account Payables to CSWL Inc wholly owned subsidiaries of the Standalone Company amounting to ₹ 423679401.74 and the equity shares of the said company amounting to ₹ 307202843/- due to the winding up of the company during the year.
3. Note no. 31 to the standalone financial statement regarding unsecured loans from Associate companies amounting to ₹ 369679876/-
4. Company's Indian subsidiary Aspire Communications P Ltd and it subsidiary Aspire peripherals P Ltd have stopped their operations fully.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d. in our opinion, the aforesaid (Standalone) financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For and on behalf of

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

N. Balasubramanian
Partner
Membership No: 023445

Chennai
13th June 2016

"ANNEXURE A" to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2016:

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
- (c) The title deeds of immovable properties are held in the name of the company.
- (d) During the year the company sold all the fixed assets as such there is no fixed assets as on the date of Balance Sheet.
- 2) The Nature of business of the company does not require it to have any inventory. Hence, the requirement of clause (ii) of paragraph 3 of the said Order is not applicable to the company.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2016 for a period of more than six months from the date on when they become payable.
- (b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute other than those mentioned in the Notes to account.
- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has not been paid during the year.
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of Clause 4 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of Clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of Clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For and on behalf of
N. Balasubramanian Associates
Chartered Accountants
F.No. 0355S

N. Balasubramanian
Partner
Membership No: 023445

Chennai
13th June 2016

STANDALONE BALANCE SHEET AS AT 31ST MARCH 2016

| Particulars | Note No. | 31.03.2016 ₹ | 31.03.2015 ₹ |
|---|----------|----------------------|----------------------|
| I. EQUITY AND LIABILITIES | | | |
| 1. Shareholders' funds | | | |
| (a) Share capital | 1 | 123,650,060 | 123,650,060 |
| (b) Reserve and surplus | 2 | (404,473,757) | (391,445,212) |
| (c) Money received against share warrants | | - | - |
| Total | | (280,823,697) | (267,795,152) |
| 2. Share application money pending allotment | | | |
| | | - | - |
| 3. Non-Current liabilities | | | |
| (a) Long-term borrowings | 3 | - | 250,806,819 |
| (b) Deferred tax liabilities (Net) | | - | - |
| (c) Other Long term liabilities | | - | - |
| (d) Long-term provisions | | - | - |
| Total | | - | 250,806,819 |
| 4. Current liabilities | | | |
| (a) Short-term borrowings | 4 | 369,679,876 | 246,936,135 |
| (b) Trade payables | 5 | 2,563,538 | 402,285,907 |
| (c) Other Current Liabilities | 6 | 1,354,097 | 199,428,993 |
| (d) Short-term provisions | 7 | 135,278 | 117,740 |
| Total | | 373,732,789 | 848,768,775 |
| TOTAL | | 92,909,092 | 831,780,441 |
| II. ASSETS | | | |
| 1. Non-current assets | | | |
| (a) Fixed Assets | | | |
| (i) Tangible assets | 8 | - | 419,714,941 |
| (ii) Intangible assets | | - | - |
| (iii) Capital work-in-progress | | - | - |
| (iv) Intangible assets under development | | - | - |
| (b) Non-current investments | 9 | 31,137,969 | 338,358,312 |
| (c) Deferred tax assets (net) | 10 | - | - |
| (d) Long-term loans and advances | 11 | 60,677,278 | 55,991,053 |
| (e) Other non-current assets | | - | - |
| Total | | 91,815,248 | 814,064,306 |
| 2. Current assets | | | |
| (a) Current investments | 12 | - | - |
| (b) Inventories | | - | - |
| (c) Trade receivable | 13 | - | - |
| (d) Cash and cash equivalents | 14 | 1,093,844 | 2,963,804 |
| (e) Short-term loans and advances | 15 | - | 100,627 |
| (f) Other current assets | 16 | - | 14,651,704 |
| Total | | 1,093,844 | 17,716,135 |
| TOTAL | | 92,909,092 | 831,780,441 |

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 N. BALASUBRAMANIAN ASSOCIATES
Chartered Accountants
F. No.0355S

FREDERICK IVOR BENDLE
Managing Director & CEO

Dr. P J GEORGE JITENDRA KUMAR PAL
Director Company Secretary

N. BALASUBRAMANIAN
Partner Membership No. 023445
Chennai
13th June, 2016

T R RAMASAMY
Director

STANDALONE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2016

| Particulars | Note No. | 31.03.2016 | 31.03.2015 |
|--|----------|---------------------|----------------------|
| | | ₹ | ₹ |
| I. Revenue from operations | 17 | 0 | 0 |
| II. Other Income | 18 | 36,804,948 | 36,285,520 |
| III. Total Revenue (I+II) | | 36,804,948 | 36,285,520 |
| IV. Expenses: | | | |
| Employee benefits expense | 19 | 1,216,642 | 1,242,326 |
| Operation and Other Expenses | 20 | (21,310,795) | 55,589,244 |
| Finance Costs | 21 | 69,927,646 | 90,130,575 |
| Depreciation and amortization Expenses | | – | 25,425,157 |
| Total Expenses | | 49,833,493 | 172,387,303 |
| V Profit before exceptional and extraordinary items and tax (III-IV) | | (13,028,545) | (136,101,783) |
| VI Exceptional Items | 22 | – | (14,897,649) |
| VII Profit before extraordinary items and Tax (V-VI) | | (13,028,545) | (121,204,134) |
| VIII Extraordinary items | | – | – |
| IX Profit before Tax (VII-VIII) | | (13,028,545) | (121,204,134) |
| 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) | | (13,028,545) | (121,204,134) |
| XII Profit/(Loss) from discontinuing operations | | – | – |
| XIII Tax expense of discontinuing operations | | – | – |
| XIV Profit / (loss) from discontinuing operations (after tax) (XII-XIII) | | (13,028,545) | (121,204,134) |
| XV Profit / (Loss) for the period (XI+XIV) | | (13,028,545) | (121,204,134) |
| XVI Earnings per equity share: | | | |
| (1) Basic | | (1.05) | (9.80) |
| (2) Diluted | | (1.05) | (9.80) |

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 N. BALASUBRAMANIAN ASSOCIATES
Chartered Accountants
F. No.0355S

FREDERICK IVOR BENDLE
Managing Director & CEO

Dr. P J GEORGE
Director

JITENDRA KUMAR PAL
Company Secretary

N. BALASUBRAMANIAN
Partner Membership No. 023445

T R RAMASAMY
Director

Chennai
13th June, 2016

NOTES ON ACCOUNTS

| | As at 31-Mar-16 | As at 31-Mar-15 | | |
|---|-----------------|-----------------|--------------|-------|
| | ₹ | ₹ | | |
| 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 | 123,650,060 | 123,650,060 | | |
| 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) | | | | |
| 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 | 70.71 | 8743911 | 70.71 |

NOTES ON ACCOUNTS

| 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 |
| (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 | (1,090,600,637) | (969,396,503) |
| Add: Profit / (Loss) for the year | (13,028,545) | (121,204,134) |
| Amounts transferred from: | | |
| Less: Amount Transferred to | | |
| Closing balance | (1,103,629,182) | (1,090,600,637) |
| Total | (404,473,757) | (391,445,212) |

NOTES ON ACCOUNTS

| | As at 31-Mar-16 | As at 31-Mar-15 |
|---|--------------------|--------------------|
| | ₹ | ₹ |
| 3 LONG-TERM BORROWINGS | | |
| Term loans | | |
| From banks | | |
| Secured | | |
| Canara Bank Building Term Loan | – | 250,806,819 |
| Total | – | 250,806,819 |
| (Canara Bank term loan are secured by exclusive charge over the building, machinery, +) | | |
| 4 SHORT-TERM BORROWINGS | | |
| Loans repayable on demand | | |
| From banks | | |
| Secured | – | – |
| Unsecured from others | | |
| Glencore-Loan | – | 65,000,000 |
| Chemoil AMS Loan Account | – | 106,573,915 |
| Chemoil Advanced Management Services Pvt Ltd | 251,543,716 | 1,306,484 |
| Chemoil Information Services Pvt Ltd | 23,491,356 | 21,500,000 |
| Chemoil International Pte Ltd | 69,247,076 | 28,528,883 |
| Chemoil Europe B.V | 25,397,728 | 24,026,853 |
| Total | 369,679,876 | 246,936,135 |
| 5 TRADE PAYABLES | 2,563,538 | 402,285,907 |
| 6 OTHER CURRENT LIABILITIES | | |
| Term Loan Instalments due within one year | – | 92,500,000 |
| Term Loan Instalments overdue for payment | – | 18,750,000 |
| Interest accrued but not due on borrowings | – | – |
| Interest accrued and due on borrowings | – | 15,930,209 |
| Income received in advance (Unearned revenue) | – | – |
| Unpaid dividends* | 103,172 | 215,161 |
| Rent Deposits | – | 25,227,174 |
| Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.) | 1,925 | – |
| TDS Payable | 156,500 | 789 |
| CST&VAT | – | – |
| Other expenses Payable | 1,092,500 | 46,805,661 |
| Total | 1,354,097 | 199,428,993 |
| *Of the above ₹ 51163/- was due for Investor Protection and education fund 29/08/2014. Company transferred the amount on 04/05/2015 and filed necessary forms. | | |
| 7 SHORT-TERM PROVISIONS | | |
| Gratuity Provision | 135,278 | 117,740 |
| Total | 135,278 | 117,740 |

NOTES ON ACCOUNTS

Tangible Assets

Note 8

| Description | Gross Block | | | Depreciation / Amortisation | | | Net Block | | | | |
|---------------------------|--------------------|-----------|-------------------------|-----------------------------|--------------------|-----------------|--|-------------------------|-------------------|--------------------|--------------------|
| | as at 31-Mar-15 | Additions | Deletions / Transfer | as at 31-Mar-16 | Upto 31-Mar-15 | For the year | Prior period depreciation due to change in Dep policy | Deletions / Transfer | Upto 31-Mar-16 | as at 31-Mar-16 | as at 31-Mar-15 |
| Land & Buildings | 556,546,398 | - | 556,546,398 | - | 144,045,090 | - | - | 144,045,090 | - | - | 412,501,307 |
| Plant and machinery | 48,348,505 | - | 48,348,505 | - | 48,348,505 | - | - | 48,348,505 | - | - | - |
| Office equipment | 694,201 | - | 694,201 | - | 673,249 | - | - | 673,249 | - | - | 20,953 |
| Furniture and fittings | 135,110,455 | - | 135,110,455 | - | 127,917,773 | - | - | 127,917,773 | - | - | 7,192,681 |
| Electrical Fittings | 7,856,199 | - | 7,856,199 | - | 7,856,199 | - | - | 7,856,199 | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - |
| Computers and accessories | 111,222,626 | - | 111,222,626 | - | 111,222,626 | - | - | 111,222,626 | - | - | - |
| Total | 859,778,384 | - | 859,778,384 | - | 440,063,442 | - | - | 440,063,442 | - | - | 419,714,941 |

NOTES ON ACCOUNTS

| | As at 31-Mar-16 | As at 31-Mar-15 |
|--|-------------------|--------------------|
| | ₹ | ₹ |
| 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 |
| Aspire Communications, Mysore, India 2,000,000 equity shares of ₹ 10/- each fully paid up | 31,137,969 | 31,137,969 |
| Other non-current investments | | |
| Trust money in California Software Employees' Welfare Trust | – | 17,500 |
| Total | 31,137,969 | 338,358,312 |
| 10 DEFERRED INCOME TAX ASSET | | |
| Carry Forward Loss | – | – |
| Depreciation | – | – |
| Total | – | – |
| 11 LONG-TERM LOANS AND ADVANCES | | |
| Security deposits | | |
| Secured, considered good | | |
| Unsecured, considered good | – | 2,393,075 |
| Doubtful | – | 2,393,075 |
| Less: Provision for doubtful deposits | – | – |
| | – | 2,393,075 |
| Loans and advances to related parties | | |
| Secured, considered good | | |
| Unsecured, considered good | – | – |
| Doubtful | | |
| Less: Provision for doubtful loans and advances | – | – |
| | – | – |
| Others | 934,543 | – |
| Advance income tax # (net of provisions ₹ Unsecured, considered good) | 59,742,735 | 53,597,978 |
| Total | 59,742,735 | 53,597,978 |
| | 60,677,278 | 55,991,053 |

NOTES ON ACCOUNTS

| | As at 31-Mar-16 | As at 31-Mar-15 |
|---|------------------|------------------|
| | ₹ | ₹ |
| 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 | - | - |
| | - | - |
| Less: Provision for doubtful debts | - | - |
| Sub Total | - | - |
| Other Trade receivables | | |
| Unsecured, considered good | - | - |
| Doubtful | - | - |
| | - | - |
| Less: Provision for doubtful trade receivables | - | - |
| Sub Total | - | - |
| Grand Total | - | - |
| 14 CASH AND CASH EQUIVALENTS | | |
| (a) Cash on hand | 19,907 | 3,297 |
| (b) Cheques, drafts on hand | | |
| (c) Balances with banks | | |
| (i) In current accounts | 970,765 | 2,739,486 |
| (ii) In EEFC accounts & Foreign banks | - | 9,513 |
| (iii) In deposit accounts (Refer Note (i) below) | - | - |
| (iv) In earmarked accounts | | |
| - Unpaid dividend accounts | 103,172 | 211,508 |
| | | |
| Balances held as margin money or security against borrowings, guarantees and other commitments other earmarked accounts | - | - |
| Total | 1,093,844 | 2,963,804 |

NOTES ON ACCOUNTS

| | As at 31-Mar-16 | As at 31-Mar-15 |
|--|-------------------|-------------------|
| | ₹ | ₹ |
| 15 SHORT-TERM LOANS AND ADVANCES | | |
| Loans and advances to employees | | |
| Secured, considered good | | |
| Unsecured, considered good | – | 40,000 |
| Doubtful | | |
| Less: Provision for doubtful loans and advances | | |
| Prepaid expenses - Unsecured, considered good (For e.g. Insurance premium, Annual maintenance contracts, etc.) | – | 60,627 |
| Balances with government authorities | | |
| Total | – | 100,627 |
| 16 OTHER CURRENT ASSETS | | |
| Accruals | | |
| (i) Interest accrued on deposits | – | – |
| (ii) Interest accrued on investments | | |
| (iii) Interest accrued on trade receivables | | |
| Others | | |
| (i) Insurance claims | | |
| (ii) Other Receivables | – | |
| (iii) Dividend Receivable | | |
| (iv) Others (specify nature) | | |
| Rent Receivable | – | 55,695,442 |
| Less Provisions | – | 41,043,738 |
| | – | 14,651,704 |
| Total | – | 14,651,704 |
| 17 REVENUE FROM OPERATIONS | | |
| Sale of products | – | – |
| Sale of services | – | – |
| Other operating revenues | | |
| Total | – | – |
| 18 OTHER INCOME | | |
| Other non-operating income comprises: | | |
| Rental income | 30,597,878 | 30,497,921 |
| Interest On FD | – | 85,984 |
| Bad debts recovered | 6,162,750 | – |
| Miscellaneous income | 44,320 | 5,701,614 |
| Total - Other non-operating income | 36,804,948 | 36,285,520 |
| 19 Employee benefits expense | | |
| Salaries & Allowances | 1,090,848 | 1,042,749 |
| Contribution to Provident and other funds | 60,960 | 50,488 |
| Staff Welfare Expenses | 45,974 | 31,349 |
| Gratuity Provision | 18,860 | 117,740 |
| Total | 1,216,642 | 1,242,326 |

NOTES ON ACCOUNTS

| | As at 31-Mar-16 | As at 31-Mar-15 |
|--|---------------------|---------------------|
| | ₹ | ₹ |
| 20 OPERATION AND OTHER EXPENSES | | |
| Electricity Charges | – | 112,452 |
| Rates & taxes | 999,336 | 922,234 |
| Insurance | – | 348,494 |
| Repairs & Maintenance - Buildings | 2,239,710 | 805,769 |
| Repairs & Maintenance - Plant and Machinery | 952,909 | 1,143,940 |
| Communication Expenses | 17,850 | 324,223 |
| Travelling Expenses | 294,777 | 1,052,474 |
| Audit fee | 1,845,000 | 1,399,720 |
| Other Audit expenses | – | 295,280 |
| Penalty, Fine etc | 662,975 | 2,370,937 |
| Legal ,Professional and Secretarial Expenses | 2,457,646 | 4,036,894 |
| Exchange difference (Net) | 27,014,124 | 21,037,681 |
| Payables / Receivables written off | (426,999,283) | 876,565 |
| Investments written off | 307,205,343 | – |
| Other Expenses | 481,986 | 115,924 |
| Loss on sale of assets | 59,714,942 | 4,292 |
| TDS exces paid | – | 414,594 |
| Commission | 1,149,508 | – |
| Provision for rent receivable | – | 18,926,121 |
| Bank Charges | 58,547 | 150,017 |
| Office Maintenance | 593,835 | 315,198 |
| Excess service credit write off | – | 936,436 |
| Total | (21,310,795) | 55,589,244 |
| 21 FINANCE COSTS | | |
| Interest on Term Loan | 51,631,104 | 67,237,382 |
| Interest on Working Capital Loan | – | – |
| Interest on Income Tax | – | – |
| Interest on HP- Loan | – | – |
| Interest Others | 18,296,542 | 22,893,193 |
| Total | 69,927,646 | 90,130,575 |
| 22 EXCEPTIONAL ITEMS | | |
| Prior period Expense | – | 5,427,202 |
| (Profit) / Loss on Sale of Investment | – | – |
| Restatement of payables | – | (25,345,879) |
| Prior period depreciation due to change in Dep policy | – | 5,021,028 |
| Fixed Asset Impirement | – | – |
| Total | – | (14,897,649) |
| 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-16 | As at 31-Mar-15 |
|--|-------------------|-------------------|
| | ₹ | ₹ |
| 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 | | |
| i) Income Tax (net of deposit) | 132,001,334 | 59,220,145 |
| ii) Service Tax | 35,52,977 | 35,52,977 |
| | 31.03.2016 | 31.03.2015 |
| | ₹ | ₹ |
| 25 OTHER FINANCIAL INFORMATION | | |
| 25.1 Outstanding Bank Guarantees | 0 | 0 |
| 25.2 Reimbursement of travel expenses to Directors | 0 | 0 |
| 25.3 Sitting fees paid / payable to Directors | 117500 | 0 |
| 26 GOING CONCERN | | |
| <p>Company has accumulated losses and its net worth has been fully eroded, the company has incurred a net loss during the current and previous year(s) and, the company's current liabilities exceeded its current assets as at the balance sheet date. Company is not pursuing its main object of software development and is generating only income from letting out premises owned by it, also the subsidiaries also has stopped their operations. The above factors indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern.</p> | | |
| 27 DISCONTINUING OPERATIONS | | |
| <p>Though there exists material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern, items falling under the fixed asset category, i.e., building and attached furniture and fixtures, which is used for letting out and the company was deriving the rental income, Company sold all its assets during the year.</p> | | |
| 28 BASIS FOR PREPARATION | | |
| <p>Financial statements have been prepared under the historical cost convention and comply with accounting standards in all material respects.</p> | | |
| 29 IMPAIRMENT OF ASSETS | | |
| a) Impairment of Investment | | |
| <p>The Subsidiary Company Aspire Communications Pvt Ltd stopped its activities and other subsidiary company CSWL Inc was liquidated and the Investments made in CSWL Inc was written off during the year.</p> | | |
| b) Impairment of Fixed Assets | | |
| <p>No impairment of fixed assets as all fixed assets of the company were sold during the year.</p> | | |

NOTES ON ACCOUNTS

| | 31.03.2016 | 31.03.2015 |
|---|--|---------------------|
| | ₹ | ₹ |
| 30 TRADE RECEIVABLES & PAYABLES | | |
| <p>Since the company has fully stopped its principal business being Software Development and its sales and service company have no trade receivables during the year. Trade payables of ₹ 25,63,538/- out of which ₹ 25,49,855 is payable to Associate company Chemoil Energy Limited.</p> | | |
| <p>During the Financial Year 2015-16 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 ₹ 42,69,99,283/-out of which ₹ 42,36,79,402 relates to CSWL Inc a foreign subsidiary which was liquidated during the year.</p> | | |
| 31 UNSECURED LOAN FROM ASSOCIATE COMPANIES | | |
| <p>Company has taken unsecured loans as given below form various companies from its parent Group as given below:</p> | | |
| Sl. No. | Name of the Company | |
| 1. | Chemoil Advanced Management Services Pvt Ltd | 25,15,43,716 |
| 2. | Chemoil Information Services Pvt Ltd | 23,491,356 |
| 3. | Chemoil International Pte Ltd | 6,92,47,076 |
| 4. | Chemoil Europe B.V | 2,53,97,728 |
| 5. | Glencore | - |
| | | 6,50,00,000 |
| Total | | 3,69,679,876 |
| | | 24,69,36,135 |
| 32 RENT RECEIVABLE AND PROVISION | | |
| <p>Nil</p> | | |
| 33 TRANSFER PRICING | | |
| <p>As there is no transaction, transfer pricing is not applicable during the year.</p> | | |
| 34 QUANTITATIVE DETAILS | | |
| <p>Not applicable since the Company is engaged in the business of letting out of Business premises;</p> | | |
| 35 AUDITORS' REMUNERATION | | |
| <p>Payments to Auditors comprise the following:</p> | | |
| Statutory Audit | 5,00,000 | 5,00,000 |
| Tax Audit | 150,000 | 150,000 |
| Limited Review and Consolidation | 950,000 | 654720 |
| Internal Audit fee, Certification & other expenses | 245,000 | 95,000 |
| Total | 18,45,000 | 13,99,720 |
| 36 VALUE OF IMPORTS ON CIF BASIS | | |
| Capital Goods | Nil | Nil |
| 37 FOREIGN CURRENCY TRANSACTION | | |
| <p>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.</p> | | |

NOTES ON ACCOUNTS

| | 31.03.2016 | 31.03.2015 |
|---|------------|------------------|
| | ₹ | ₹ |
| 38 EXPENDITURE IN FOREIGN CURRENCY | | |
| Travelling Expenses | - | 713,670 |
| Salaries and Allowances | - | - |
| License Fees | - | 3,528,506 |
| Commission | - | 1,735,380 |
| Rent | - | - |
| Other Expenses | - | 847,462 |
| Total | - | 6,966,012 |
| 39 EARNINGS IN FOREIGN CURRENCY | | |
| Sales | - | Nil |
| Other Income | | 5,648,615 |
| 40 DIVIDEND REMITTED IN FOREIGN CURRENCY | | |
| Number of Non resident shareholders | Nil | Nil |
| Dividend remitted during the year ₹ | Nil | Nil |
| Number of shares | Nil | Nil |
| 41 SEGMENT REPORTING | | |

The company has stopped entirely its principal activity of providing software development and its sales and services and hence current year there is no segment wise reporting.

NOTES ON ACCOUNTS

| | As at 31-Mar-16 | As at 31-Mar-15 |
|--|--|-----------------|
| | ₹ | ₹ |
| 42 DISCLOSURE UNDER AS 15 REVISED ON EMPLOYEE BENEFITS | | |
| The company has only one employee for whom PF is being provided as per rules. Gratuity of ₹135,278/- is provided on the basis of Actuarial Valuation. Based on company's policy no provision is being made for leave encashment. | | |
| 43 RELATED PARTY DISCLOSURE | | |
| 43.1 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 Healthnet International Inc, USA California Software Laboratories Inc | Aspiresoft Corporation, USA | |
| Subsidiary of Aspire Communications Subsidiary of Healthnet International Inc | Aspire Peripherals P Ltd, Mysore Private Limited International Innovations Inc., USA | |
| b) Key management personnel | Mr.Frederick Ivor Bendle | |
| c) Other Group Companies | | |
| Fellow Subsidiaries of Kemoil Limited | 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 Chemoli Information Services Pvt Ltd Inatech InfoSolutions Private Limited, Bangalore Inatech Solutions Ltd, UK Inatech Solutions Egypt, SAE Inatech ME Inatech Solutions Europe Ltd Glencore India Private Limited | |

| | 2015-16 | 2014-15 |
|--|---------|---------|
| | ₹ | ₹ |
| 43.2 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 | | 1,161,805 |
| Trade payables Balance (net) | | 402,285,907 |
| Impairment of Investment | - | - |
| Investment (balance) | - | 307,202,843 |
| 2. Aspire Communications P Ltd | | |
| Other Current Liabilities (net) | - | - |
| Write off Other Current Liabilities | - | 24,851,514 |
| Expenses payable | | |
| Write off Expenses payable | - | 494,364 |
| Investment | | 31,137,969 |

With other group Companies

| | | |
|--|-------------|-------------|
| 1. Chemoil Advanced management Services P Ltd | | |
| Reimbursement of expenses (electricity Charges) | | 2,33,188 |
| Interest On loan | 17,820,852 | 8,918,758 |
| Unsecured Loans | 109,605,429 | 107,880,399 |
| Other Payables | | 28,074,012 |
| 2. Chemoil Europe BV | | |
| Unsecured Loans | | 24,026,853 |
| 3. Chemoil Energy Ltd | | |
| Payables | | 2,412,223 |
| 4. Chemoil International Pte Ltd | | |
| Unsecured Loans | 37,888,057 | 28,528,883 |
| 5. Chemoil Information Services P Ltd | | |
| Unsecured Loans | | 21,500,000 |
| Other Payables | | 2,712,325 |
| 6. Glencore India Private Limited | | |
| Unsecured Loans | 65,000,000 | 65,000,000 |
| Other Payables | | 8,615,738 |

44 EARNINGS PER SHARE

| | | |
|----------------------------------|--------------|---------------|
| Weighted average - No. of shares | 12,365,006 | 12,365,006 |
| Profit after Tax - ₹ | (13,028,545) | (185,560,261) |
| Basic Earnings per Share - ₹ | (1.05) | (15.01) |

NOTES ON ACCOUNTS

45 As at March 31, 2016 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

46 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) | 12,914,393 | Assessing Officer |
| 7. | Income Tax Act, 1961 | Income Tax (A.yr 2006-07) | 12,380 | Assessing Officer |
| 8 | Income Tax Act, 1961 | Income Tax & TDS (A.yr 2007-08) | 17,677,960 | Assessing Officer |
| 9 | Income Tax Act, 1961 | Income Tax (A.yr 2008-09) | 5,320,670 | Assessing Officer |
| 10 | Income Tax Act, 1961 | Income Tax (A.yr 2009-10) | 3,786,310 | Assessing Officer |
| 12 | Income Tax Act, 1961 | Income tax (Ay 2010-11) | 2,544,460 | Assessing Officer |
| 13 | Income Tax Act, 1961 | Income Tax (AY 2011-12) | 48,678,090 | Assessing Officer |
| 14 | Income Tax Act, 1961 | Income Tax (AY 2013-14) | 30,361,050 | Assessing Officer |
| 14 | Income Tax Department | TDS Ward Chennai(FY 2007-08) | 2,29,850 | TDS Ward 1(1) Chennai |
| 15 | Income Tax Department | TDS Ward Chennai(FY 2008-09) | 4,76,980 | TDS Ward 1(1) Chennai |
| 16 | Income Tax Department | TDS Ward Chennai(FY 2009-10) | 39,440 | TDS Ward 1(1) Chennai |
| 17 | Income Tax Department | TDS Ward Chennai(FY 2010-11) | 70,650 | TDS Ward 1(1) Chennai |
| 18 | Income Tax Department | TDS Ward Chennai(FY 2011-12) | 1,86,880 | TDS Ward 1(1) Chennai |
| 19 | Income Tax Department | TDS Ward Chennai(FY 2012-13) | 1,51,460 | TDS Ward 1(1) Chennai |
| 20 | Income Tax Department | TDS Ward Chennai(FY 2013-14) | 9,200 | TDS Ward 1(1) Chennai |
| 21 | Income Tax Department | TDS Ward Chennai(FY 2014-15) | 6,700 | TDS Ward 1(1) Chennai |
| | | Total IT demand | 132,001,334 | |
| | 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. Company has filed appeal against this order.

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, 2016 | | March 31, 2015 | |
|---|----------------|----------------------|----------------|---------------------|
| | ₹ | ₹ | ₹ | ₹ |
| A. Cash Flow from Operating Activities | | | | |
| Profit before Tax | | (13,028,545) | | (121,204,134) |
| Adjustment for : | | | | |
| Depreciation and Fixed Asset Impirement | – | | 30,446,186 | |
| Investment Impirement | – | | – | |
| Loss on Sale of Assets | 59,714,942 | | 4,292 | |
| Net payables written off | – | | – | |
| Profit on Sale of Investments | – | | – | |
| Interest Income | – | | (85,984) | |
| Interest Expense | 69,927,646 | | 90,130,575 | |
| | | 129,642,588 | | 120,495,069 |
| Operating profit before working capital changes | | 116,614,043 | | (709,065) |
| Inventories | – | | – | |
| Non Current Investments | 307,220,343 | | | |
| Sundry Debtors | – | | 2,011,205 | |
| Loans and Advances | 10,066,106 | | 14,251,871 | |
| Current Liabilities | (597779727) | (280,493,278) | 37,058,444 | 53,321,520 |
| Cash Generated from Operating Activities | | (163,879,235) | | 52,612,455 |
| Taxes Paid | | | | |
| Net Cash from Operating Activities | | (163,879,235) | | 52,612,455 |
| B. Cash flow from Investing Activities | | | | |
| Purchase of Investments | | | | |
| Purchase of Fixed Assets | | – | | – |
| Profit on settlement of liabilities | | – | | – |
| Sale proceeds of Fixed Assets | | 360,000,000 | | 184,485 |
| Sale proceeds of Investments | | – | | – |
| Interest Received | | – | | 85,984 |
| Net Cash from Investing Activities | | 360,000,000 | | 270,469 |
| C. Cash flow from Financing Activities | | | | |
| Long term loan received | | | | |
| Long term loan repaid | | (250,806,819) | | (110,000,000) |
| Net Increase in packing credit | | – | | – |
| Unsecured Loan from Group Companies | | 122,743,740 | | 136,649,728 |
| Proceeds from Issue of Share Capital | | | | |
| Share Premium received | | | | |
| Interest paid | | (69,927,646) | | (90,130,575) |
| Dividend paid | | | | |
| Dividend Tax paid | | | | |
| Net Cash from Financing Activities | | (197,990,725) | | (63,480,847) |
| Net Increase / (decrease) in Cash and Cash Equivalents (A+B+C) | | (1,869,960) | | (10,597,923) |
| Cash and cash equivalents at the beginning of the year | | 2,963,804 | | 13,561,727 |
| Cash and cash equivalents at the end of the year | | 1,093,844 | | 2,963,804 |

As per our Report even date

For N. BALASUBRAMANIAN ASSOCIATES
Chartered Accountants
F. No.0355S

N. BALASUBRAMANIAN
Partner Membership No. 023445
Chennai
13th June, 2016

FREDERICK IVOR BENDLE
Managing Director & CEO

T R RAMASAMY
Director

Dr. P J GEORGE
Director

JITENDRA KUMAR PAL
Company Secretary

CALIFORNIA SOFTWARE COMPANY LIMITED

CIN : L72300TN1992PLC022135

Regd. Office : Robert V Chandran Tower, # 149, Velachery Tambaram Main Road, Pallikaranai, Chennai - 600 100.
Phone : 044-4282 9000, Email: investor@calsoftgroup.com

ATTENDANCE SLIP 24th ANNUAL GENERAL MEETING

(To be handed over at the entrance of the Meeting Hall)

I/We hereby record my/our presence at the 24th Annual General Meeting of the Company to be held at # 2nd Floor, Robert V Chandran Tower, # 149, Velachery Tambaram Main Road, Pallikaranai, Chennai-600 100 at 9.30 a.m. on Wednesday, September, 28, 2016

| | | | |
|--|---|--|--|
| Name of the Shareholder (in Block Letters) | Regd. Folio No. (Physical)/I.D. No. (Demat) | Name of the Proxy (in Block Letters) | Signature of te Shareholder(s)/ or Proxy present |
|--|---|--|--|

ELECTRONIC VOTING PARTICULARS

| | | |
|-------------------------------|---------|----------------|
| EVEN (e-Voting Event Manager) | User ID | Password / Pin |
| | | |

Please complete and sign this attendance slip and handover at the entrance of the meeting hall. Only Shareholder(s) or / their proxy with this attendance slip will be allowed entry to the meeting. Duplicate slips will not be issued at the entrance.

(TEAR HERE)

CALIFORNIA SOFTWARE COMPANY LIMITED

CIN : L72300TN1992PLC022135

Regd. Office : Robert V Chandran Tower, # 149, Velachery Tambaram Main Road,
Pallikaranai, Chennai - 600 100.

Phone : 044-4282 9000, Email: investor@calsoftgroup.com

24th ANNUAL GENERAL MEETING

PROXY FORM (Form No. MGT-11)

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

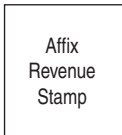
Name of the member(s): Registered Address:
E-mail ID: Folio No. / Client ID and DP ID:
1. Name: 2. Name: 3. Name:
Address: Address: Address:
E-mail Id: E-mail Id: E-mail Id:
Signature: or failing him/her Signature: or failing him/her Signature: or failing him/her

I/We residing at
..... being a shareholder/(s) of CALIFORNIA SOFTWARE COMPANY LIMITED hereby
appoint..... of of failing him/her
.....of.....as my/our Proxy to attend and vote for
me/us on my/our behalf at the 24th Annual General Meeting of the Company to be held at # 2nd Floor, Robert V Chandran Tower, # 149, Velachery Tambaram Main Road, Pallikaranai, Chennai-600 100 at 9.30 a.m. on Wednesday, September, 28, 2016 and at any adjournment thereof in respect of such resolutions as are indicated below:

| Resolution No. | Resolutions |
|----------------|---|
| 1. | To receive, consider and adopt the Balance Sheet as at March 31, 2016 and the Profit and Loss Account for the year ended on that date and the report of the Directors and Auditors thereon. |
| 2. | To appoint a Director in place of Dr. P J George, who retires by rotation and being eligible, offer himself for re-appointment. |
| 3. | To re-appoint M/s. N. Balasubramanian Associates, Chartered Accountants as Statutory Auditors. |
| 4. | Authority to borrow moneys |
| 5. | Service of documents |
| 6. | Appointment of Mr. Mahalingam Vasudevan as an Independent Director. |

Signed at this day of 2016

- Note :** a) The form should be signed across the stamp as per specimen signature registered with the Company.
b) The Proxy Form duly completed must be deposited at the office of the Share Transfer Agents of the Company not less than 48 hours before the time fixed for holding the aforesaid meeting.
c) The proxy need not be a shareholder of the Company.



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