



Realize Your Ideas

ANNUAL REPORT

2016-17

CORPORATE INFORMATION

Board of Directors

Frederick Ivor Bendle

Managing Director & CEO

Dr. P J George

Non Executive Independent Director

T R Ramasamy

Non Executive Independent Director (upto 12th August 2016)

Vasudevan Mahalingam

Non Executive Independent Director (wef 12th August 2016)

Vijayapriya

Woman Director (Non Executive Director)

Registrars and Share Transfer Agent

Integrated Registry Management Services Private Limited
(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

New No. 50, Manatapam Road, Kilpauk, Chennai - 600 006.

Stock Exchanges -Listed on

I - National Stock Exchange of India Limited

II - BSE 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

Email for shareholders: investor@calsoftgroup.com

Website: www.calsoftgroup.com

Contents

| | Page No |
|--|---------|
| Letter to the shareholder | 4 |
| Notice to shareholders | 5 |
| Directors Report and Secretarial Auditor's Certificate | 8 |
| Auditors' Report on Corporate Governance | 27 |
| Corporate Governance Statement | 28 |
| Management Discussion and Analysis Report | 38 |
| Confirmation on code of conduct | 39 |
| Consolidated Financial Statements | 40 |
| Standalone Financial Statements | 57 |
| AGM Route Map | 77 |

Letter to Shareholder



Dear Shareholders,

With the cessation of the company's businesses in 2011 which were incurring heavy losses and the disposal of RVC Towers, the Company has cleared major problems which affected the liquidity of the Company. 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 Board of Directors continue to look for a potential investor who can inject additional funds and take the company to the growth path. The company is in advanced stage of negotiation to find potential investor.

Frederick Ivor Bendle
Managing Director & CEO

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of the Company will be held on Thursday, the 28th September 2017 at 10.00 a.m. at Temple Steps, Block I, 3rd Floor, 184-187, Anna Salai, Little Mount, Saidapet, Chennai-600 015 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 2017
 - b) Audited Consolidated Financial Statements of the Company for the financial year ended 31st March 2017.
2. To appoint a Director in place of Mrs. VIJAYAPRIYA NARAYANAN (DIN-07172974), who retires by rotation and being eligible, offer herself 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, if any, of the Companies Act, 2013, and the Rules made there under and pursuant to the recommendation of the Audit Committee and Board of Directors and pursuant to the resolution passed at the members at the 24th Annual General Meeting held on 28th September 2016, the appointment of M/s. N. Balasubramanian Associates, Chartered Accountants (Firm Regn. No. 0355S), as auditors of the company to hold office till the conclusion of the AGM to be held in the AGM in the year 2021 be and is hereby ratified and that the Board of Directors of the Company be and are hereby authorized to fix their remuneration for the financial year ending 31st March 2018 as may be agreed upon between the auditors and the Board,

By order of the Board

For California Software Company Limited

Chennai
14th August 2017

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 2017 to 28th September 2017 (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 may be 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 REGISTRY MANAGEMENT SERVICES PRIVATE LIMITED
Unit: California Software Co Ltd
"Kences Towers", II Floor, 1, Ramakrishna Street,
North Usman Road, T.Nagar, Chennai - 600 017
- e. 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.

- f. 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.
- g. Pursuant to Section 205C of the Companies Act, 1956, all unclaimed dividends upto and inclusive of the financial year 2008-09 (YE March 31, 2009) have been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government.
- h. 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.
- i. 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 2017. The instructions for Shareholders for e-Voting are as under:

- A) In case of Shareholders' receiving e-mail from NSDL(for members whose email IDs are registered with the Company/ Depository participants):
 - (i) Open e-mail and open PDF file viz; "California Software Company Limited e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
 - (iii) Click on "Shareholder - Login".
 - (iv) Insert user ID and password as initial password noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (vi) Home page of e-Voting opens. Click on e-Voting: Active Evoting Cycles.
- (vii) Select "EVEN" of California Software Company Limited.
- (viii) Now you are ready for e-Voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) For the votes to be considered valid, the institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at 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.nsdl.com
- (ii) If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote.
- (iii) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- (iv) The e-Voting period commences on Monday, the 25th September 2017 (10:00 am) and ends on Wednesday, the 27th September 2017 (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 2017, may cast their vote electronically. The e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it.
- (v) The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-Voting period / unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (vi) The Results shall be declared on or after the Annual General Meeting of the Company and shall be deemed to be passed on the date of Annual General Meeting. The results alongwith the Scrutinizer's Report shall be placed on the website of the Company www.calsoftgroup.com within 2 days of passing of the resolutions at the Annual General Meeting of the Company and shall be communicated to BSE Limited and National Stock Exchange of India Limited.
6. All documents referred to in the accompanying Notice and the Explanatory Statements are open for inspection at the Registered Office of the Company between 10.00 A.M. and 1.00 P.M. on working days up to 28th September 2017.
7. Affixing statement under Section 102 (2) of the Companies Act, 2013 is not applicable, since no special business is proposed to be transacted at the Annual General Meeting.

ANNEXURE TO ITEMS 2 OF THE NOTICE

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

| | |
|--|---------------------------|
| Name of the Director | Mrs. VIJYAPRIYA NARAYANAN |
| Director Identification Number (DIN) | 07172794 |
| Date of Birth | 06/10/1976 |
| Nationality | INDIAN |
| Date of Appointment on Board | 30/04/2015 |
| Qualification | CHARTERED ACCOUNTANT |
| Shareholding in the Company | NIL |
| List of Directorship held in other Companies (excluding foreign, private and Section 8 Companies) | NIL |
| Memberships / Chairmanships of Audit and Stakeholders Relationship Committees across Public Companies. | NIL |

By order of the Board
For California Software Company Limited

Chennai
14th August 2017

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 2016-17.

1. FINANCIAL RESULTS

All figures in ₹ Crores except for EPS

| Details | Consolidated | | Standalone | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| | Year ended 31-Mar-17 | Year ended 31-Mar-16 | Year ended 31-Mar-17 | Year ended 31-Mar-16 |
| Total Revenues | 0.02 | 3.68 | 0.02 | 3.68 |
| Total Expenses | (1.73) | 5.02 | (1.72) | 5.02 |
| Profit before exceptional and extra-ordinary items and tax | 1.74 | (1.34) | 1.74 | (1.34) |
| Exceptional items | 0.00 | 0.00 | – | – |
| Profit before extraordinary items and tax | 1.74 | (1.17) | 1.74 | (1.17) |
| Profit before Tax | 1.74 | (1.17) | 1.74 | (1.17) |
| Current Tax | 0.00 | 0.00 | – | – |
| Deferred Tax | 0.00 | 0.00 | – | – |
| Profit / (Loss) for the year | 1.74 | (1.17) | 1.74 | (1.17) |
| Minority Interest | | | 0 | 0 |
| paid up equity capital | 12.36 | 12.36 | 12.36 | 12.36 |
| Earning per share (EPS) for the year (Rs) | | | | |
| i) Basic | 1.41 | (1.05) | 1.41 | (1.05) |
| ii) Diluted | 1.41 | (1.05) | 1.41 | (1.05) |

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

2. DIVIDEND

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

After taking into account the tax provisions and adjustments for minority interest, prior period adjustments and extraordinary items if any, the profit for the year is ₹ 1.74 Crores as against a loss of ₹ (1.17) Crores of the previous year.

3. BUSINESS UPDATE AND OUTLOOK

With the cessation of the company's businesses in 2011 which were incurring heavy losses and the disposal of RVC Towers, the Company has cleared major problems which affected the liquidity of the Company. 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 Board of Directors continue to look for a potential investor who can inject additional funds and take the company to the growth path.

II - Standalone Results

During the year, your Company on a standalone basis earned total revenue of ₹ 0.02 Crores as against ₹ 3.68 Crores earned during the previous year. The profit before tax during the year is ₹ 1.73 Crores as against ₹ (1.30) Crores of the previous year.

After taking into account the tax provisions and adjustments, the profit for the year was ₹ 1.74 Crores as against a loss of ₹ (1.30) Crores for the previous year.

RESULTS OF OPERATIONS

I - Consolidated Results

During the year, your Company on a consolidated basis with all its subsidiaries earned total revenue of ₹ 0.02 Crores as against ₹ 3.68 Crores earned during the previous year. The profit before tax during the year is Rs. 1.74 Crores as against Rs. (1.17) 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 ₹ 97,565/- with profit of ₹ 95,583/- against the consolidated reported revenues of ₹ 6244 with a profit of ₹ 12,83,604/- 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. T R Ramasamy resigned as director with effect from 12th August 2016. Mr. Vasudevan Mahalingam has been appointed as additional director with effect from 12th August 2016.

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. N.Balasubramanian Associates, Chartered Accountants, Chennai was re-appointed as Statutory Auditors of the Company at the Annual General Meeting held on 28th September 2016 for a period of five years until the conclusion of the 29th Annual General Meeting to be held in the year 2021. A resolution for ratification of appointment and fixation of remuneration for the financial year 2017-18 forms part of 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:-

- 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.

- Note no. 31 to the standalone financial statement regarding unsecured loans from Associate companies amounting to ₹ 35,10,79,977/-.

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.

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

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.

7.4. Secretarial Audit

M/s.V.S.Sowrirajan & Associates, Company Secretaries-in-Practice were appointed as Secretarial Auditor for the financial year 2016-17. 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 2016-17 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 Boards 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 oversee the vigil mechanism. The company affirm 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 was transferred to the Investor Education and Protection Fund during the financial year 2015- 16. The Company has not declared any dividend for the year 2008-09, hence there is no requirement of transfer to Investor Education and Protection Fund.

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.

Employee relations continue to be cordial and harmonious at all levels and in all divisions of the Company. The Board of Directors would like to express their sincere appreciation to all the employees for their continued hard work and steadfast dedication. The Company has only one Employee.

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, 2017. 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.