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# ANNUAL REPORT

## 2017-2018



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## CORPORATE INFORMATION

### Board of Directors

<b>Dr. Mahalingam Vasudevan</b>	: Managing Director & CEO
<b>Dr. V. Manimala</b>	: Executive Director & COO
<b>Mr. Vijayakumar Madhavan</b>	: Executive Director & CFO
<b>Dr. Pasupathy Raju</b>	: Independent Director
<b>Ms. Keerti Saraswat</b>	: Woman Independent Director
<b>Mr. B. Rangarajan</b>	: Independent Director

### Registrars and Share Transfer Agent

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

### Secretarial Auditor

**Mr. Gourishankar Mishra**  
Practicing Company Secretary

### Financial Auditor

**N. Balasubramanian Associates**  
Chartered Accountants



### Stock Exchanges

National Stock Exchange of India Limited  
BSE Limited

### Contact us

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

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CsBigData  
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# LETTER TO SHAREHOLDERS



Dear Shareholders,

## Our story began in Chennai, India in 1992.

Back then it was just a few of us developing specialized enterprising software solutions from a small room.

Fast forward a couple of decades and we're one of the Innovative Technology Solution Provider for clients in the financial markets, wealth management, traffic and telecommunication sectors. We will leverage the global market, lead technological revolutions, establish industry ecosystem and strive to become a top global ITS Enterprise.

This is our vision of active offense, and starting again, we have set a "mission" to reach 1 billion revenue by 2025 and we just keep growing.....

## Technical & Professional Services

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

### Helping Our Large Customers Transform

Large customers in key industries globally have moved from the concept of digital transformation to actual implementation.

In this round of construction, India's software service companies have gained first-mover advantages.

These changes will become our opportunities to "overtake" our peers.

### "Sailing on the same Boat Strategy" headwind to build CsDigital

We are in the process of developing and launching a "cloud-based software industry park". CsDigital, to support small IT Enterprises, gather software service ecosystem, enhance the efficiency of local software industry, and support transformation and upgrading and innovation development of traditional enterprises. The cloud software park has become the vehicle of CsDigital in the offline and online integration services. The supporting local operation team of CsDigital has built the regional operation base covering the key software cities.

### "Shares the Same boat" CsCloud Computing

CsDigital will co-construct a new ecosystem for ITS industry CsCloud. which revealed our joint improvements with small technology driven companies in its software developments on cloud computing to improve the quality and efficiency of online development and project management.

Our goal is to become a strategic partner that "shares the same boat", as we further bundle both parties' functions and services.

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# LETTER TO SHAREHOLDERS

## “Breakthrough in Bottlenecks” CsBigData

Calsoft’s CsBigData can provide enterprises with end-to-end data technology and big data innovation services in the aspects of data strategy consultancy, data platform, data management, data analysis, etc., covering consultancy, implementation, development and other processes.

The premier global market intelligence firm predicts that the big data and analytic market will grow from USD130 billion to USD203 billion from 2016 to 2020. The data application demand and requirements from enterprises are increasing.

## Global expertise, local relevance

We may be global, but we haven’t lost our focus. In fact, we think the benefit of our global expertise combined with our local market knowledge makes for something very special.

It’s what enables us to provide outstanding Technical & Professional Services and solutions that are tailored to each region and that deliver truly transformational results for our clients.

## Global learning, local implementation

Our software products sit right at the heart of Technical & Professional Services and Solutions, connecting the entire industry end to end.

With our continued global scale investment, you can be sure you’re getting best of breed technology that delivers real transformational benefits, like visible cost and time savings, alongside local implementation and service that continues to support your business now and into the future.

Moving Towards Active Offense And “Starting Again” campaign develops, a new round of growth for the Calsoft, has opened “Walk the world, build CsDigital, CsCloud and CsBigData”, we will be on the offense.

The Calsoft’s future is worth the anticipation!

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

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

Dear investors, thank you very much for your support to the Company’s growth.

**Dr. Mahalingam Vasudevan**  
Managing Director & CEO



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Notice is hereby given that the Twenty-Six Annual General Meeting of California Software Company Limited will be held on **Saturday, September 29, 2018 at 3.00 PM** at California Software Company Limited, 2nd Floor, Unit 9, STPI Building, 5 Rajiv Gandhi Road, Taramani, Chennai 600113, to transact the following business:

### ORDINARY BUSINESS

#### 1. **Adoption of Financial Statements along with the Reports of the Board of Directors and of the Auditors thereon**

To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) of the Company for the financial year ended March 31, 2018 together with the Reports of the Board of Directors and of the Auditors thereon.

#### 2. **Ratification of Appointment of Auditors**

“RESOLVED that pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the appointment of M/s. N. Balasubramanian Associates, Chartered Accountants (Firm Regn. No.0355S), as Statutory Auditors of the Company for the financial year 2018-2019 at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

### SPECIAL BUSINESS

#### 3. **Appointment of Dr. Mahalingam Vasudevan as Managing Director and Chief Executive Officer (CEO)**

To pass the following resolution as a Special Resolution

To appoint **Dr. Vasudevan Mahalingam (DIN 01608150)** as Managing Director and Chief Executive Officer, who is not liable to retire by rotation, to hold office for a term of five years commencing from December 23, 2017 to December 22, 2022.

“RESOLVED THAT pursuant to and in accordance with the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modification or re-enactment thereof for the time being in force, (“the Act”), read with Schedule V thereto, and subject to the requisite approval of the Central Government, consent of the Company be and is hereby accorded to the appointment of Dr. Vasudevan Mahalingam (DIN 01608150) as the Managing Director of the Company for a period of 5 (five) years effective December 23, 2017 on the terms and conditions of appointment and remuneration as contained in the draft agreement, material terms of which are set out in the explanatory statement attached to this notice and the Board of Directors be and is hereby authorised to alter and vary such terms of appointment and remuneration as may be agreed upon with Dr. Vasudevan Mahalingam, subject however to the overall ceiling on remuneration specified in the said Schedule V and other applicable provisions of the said Act for the time being in force.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any of the Directors and/or any of the key managerial personnel of the Company for the time being, be and are hereby jointly or



## NOTICE TO SHAREHOLDERS

severally authorized to do all such acts, deeds, matters and things and take such steps which are necessary, expedient or desirable in this regard.”

### 4. Appointment of Ms. Keerti Saraswat as a Woman and Independent Director of the Company

To appoint **Ms. Keerti Saraswat (DIN 08048562)** as a Woman – Independent Director of the company, who is not liable to retire by rotation and to hold office for a term of five years commencing from December 23, 2017 to December 22, 2022.

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule IV of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Ms. Keerti Saraswat (DIN 08048562) who was appointed as an Independent Director of the Company with effect from August 14, 2018 to hold office up to the date of this Annual General Meeting in terms of Section 161(1) of the Act, be and is hereby appointed as an Independent Director for a term of five years and to hold office as Independent Director till December 22, 2022.

### 5. Appointment of Dr. Pasupathy Raju as an Independent Director of the Company

To appoint **Dr. Pasupathy Raju (DIN 08066502)** as an Independent Director of the company, who is not liable to retire by rotation, to hold office for a term of five years commencing from November 14, 2017 to November 13, 2022.

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule IV of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Pasupathy Raju (DIN 08066502) who was appointed as an Independent Director of the Company with effect from February 9, 2018 to hold office up to the date of this Annual General Meeting in terms of Section 161(1) of the Act, be and is hereby appointed as an Independent Director for a term of five years and to hold office as Independent Director till November 13, 2022.

### 6. Appointment of Mr. B. Rangarajan as an Independent Director of the Company

To appoint **B. Rangarajan (DIN 07460246)** as an Independent Director of the company, who is not liable to retire by rotation, to hold office for a term of five years commencing from June, 26, 2018 to June 25, 2023.

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule IV of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. B. Rangarajan (DIN 07460246) who was appointed as an Independent Director of the Company with effect from June, 26, 2018 to hold office up to the date of this Annual General Meeting in terms of Section 161(1) of the Act, be and is hereby appointed as an Independent Director for a term of five years and to hold office as Independent Director till June 25, 2023

**7. Appointment of Dr. Manimala Vasudevan (DIN 01980557) as an Executive Director and Chief Operating Officer (COO)**

To appoint **Dr. Manimala Vasudevan (DIN -01980557)** as an Executive Director and Chief Operating Officer, who is not liable to retire by rotation, to hold office for a term of five years commencing from June 8, 2018 to June 07, 2023.

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

“RESOLVED THAT pursuant to and in accordance with the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modification or re-enactment thereof for the time being in force, (“the Act”), read with Schedule V thereto, and subject to the requisite approval of the Central Government, consent of the Company be and is hereby accorded to the appointment of Dr. Manimala Vasudevan (DIN: 01980557) as the Executive Director and Chief Operating Officer of the Company for a period of 5 (five) years effective June 07, 2018 on the terms and conditions of appointment and remuneration as contained in the draft agreement, material terms of which are set out in the explanatory statement attached to this notice and the Board of Directors be and is hereby authorised to alter and vary such terms of appointment and remuneration as may be agreed upon with Dr. Manimala Vasudevan, subject however to the overall ceiling on remuneration specified in the said Schedule V and other applicable provisions of the said Act for the time being in force.

RESOLVED FURTHER THAT in case of insufficiency of the profit, the remuneration payable to her will be subject to the overall ceiling on remuneration specified in the Schedule V and other applicable provisions of the Act for the time being in force and the period of appointment will be reduced to 3 (three) years.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any of the Directors and/or any of the key managerial personnel of the Company for the time being, be and are hereby jointly or severally authorized to do all such acts, deeds, matters and things and take such steps which are necessary, expedient or desirable in this regard.”

**8. Appointment of Mr. Vijayakumar Madhavan (DIN 07892448) as an Executive Director and Chief Financial Officer (CFO)**

To appoint Mr. Vijayakumar Madhavan (DIN 07892448) as an Executive Director and Chief Financial Officer, who is not liable to retire by rotation, to hold office for a term of five years commencing from June 8, 2018 to June 07, 2023.

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

“RESOLVED THAT pursuant to and in accordance with the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modification or re-enactment thereof for the time being in force, (“the Act”), read with Schedule V thereto, and subject to the requisite approval of the Central Government, consent of the Company be and is hereby accorded to the appointment of Mr. Vijayakumar Madhavan (DIN 07892448) as the Executive Director and Chief Financial Officer of the Company for a period of 5 (five) years effective June 07, 2018 on the terms and conditions of appointment and remuneration as contained in the draft agreement, material terms of which are set out in the explanatory statement attached to this notice and the Board of Directors be and is hereby authorised to alter and vary such terms of appointment and remuneration as may be agreed upon with Mr. Vijayakumar Madhavan (DIN 07892448), subject however to the overall ceiling on remuneration specified in the said Schedule V and other applicable provisions of the said Act for the time being in force.

RESOLVED FURTHER THAT in case of insufficiency of the profit, the remuneration payable to him will be subject to the overall ceiling on remuneration specified in the Schedule V and other applicable provisions of the Act for the time being in force and the period of appointment will be reduced to 3 (three) years.



RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any of the Directors and/or any of the key managerial personnel of the Company for the time being, be and are hereby jointly or severally authorized to do all such acts, deeds, matters and things and take such steps which are necessary, expedient or desirable in this regard."

## **9. Ratification of Earlier General Meeting Resolution approved by the Shareholders at the Extra Ordinary General Meeting held on December 23, 2017 towards conversion of unsecured loans into Optionally Convertible Redeemable Preference Shares (OCRPS)**

To consider and if though fit, the following resolution as a special resolution

RESOLVED THAT further to the approval of the Members at the Extra Ordinary General Meeting dated December 23, 2017 and with a view to provide complete disclosure and seek ratification of disclosures based on input received from stock exchanges, the resolution as earlier approved whose content along with explanatory statement is reproduced and repeated and additional information provided, preferential allotment pursuant to Section 23, 42, 62 and all other applicable provisions, if any, of the Companies Act, 2013 and in accordance with the Securities And Exchange Board Of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (hereinafter referred to as "SEBI (ICDR) Regulations") be and hereby approved and ratification granted related to the allotment made and for all the details including disclosure in explanatory statement related to Objects of the preferential issue, Intention of the Promoters, Directors, Key Management Personnel to subscribe to the offer, Pre and post share holding pattern of the company, Details of the ultimate beneficial owners of the allottee and Tenure of OCRPS in relation to allotment of 35,10,800 (Thirty Five Lakhs Ten Thousand and Eight Hundred Only) Optionally Convertible Redeemable Preference Shares of face value of Rs.10/- each at a price of Rs. 100/- each (which includes premium of Rs.90) (herein after referred to as "OCRPS") to the Chemoil Advanced Management Services Private Limited, which is convertible into, upto 35,10,800 (Thirty Five Lakhs Ten Thousand and Eight Hundred Only) equity shares of face value of Rs. 10/- each at a price being not lower than the minimum price calculated in accordance with the Regulations for Preferential Issue contained in Chapter VII of SEBI (ICDR) Regulations 2009

**EARLIER GENREAL MEETING SPECIAL RESOLUTION AS REPROUCED BELOW FOR RATIFICATION PURPOSE:**

"RESOLVED THAT pursuant to provisions of Section 23, 42, 62 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) and in accordance with the Securities And Exchange Board Of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (hereinafter referred to as "SEBI (ICDR) Regulations") and other Regulations/Guidelines issued by the Securities and Exchange Board of India (SEBI) and other applicable laws/rules, as may be required, and subject to all necessary approvals, consents, permission and/or sanctions of the Government of India, Reserve Bank of India, Foreign Investment Promotion Board, SEBI and/or any other competent authorities and the enabling provisions of the Memorandum of Association and Articles of Association of the Company and the Listing Agreement entered into by the Company with Stock Exchanges where the shares of the Company are listed and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, consents, permissions or sanctions and which may be agreed to by the Board of Directors of the Company and subject to such terms and conditions as may be determined by the Board of Directors of the Company (hereinafter referred to as "the Board" which expression shall include any Committee which the Board may constitute to exercise its powers including powers conferred by this Resolution), the consent and approval of the Company be and is hereby accorded to the Board and the Board be and is hereby authorized in its absolute discretion to offer, issue and allot on preferential basis to;

- a. 35,10,800 (Thirty Five Lakhs Ten Thousand and Eight Hundred Only) Optionally Convertible Redeemable Preference Shares of face value of Rs.10/- each at a price of Rs. 100/- each (which includes

premium of Rs.90) (herein after referred to as “OCRPS”) to the Chemoil Advanced Management Services Private Limited, which is convertible into, upto 35,10,800 (Thirty Five Lakhs Ten Thousand and Eight Hundred Only) equity shares of face value of Rs. 10/- each at a price being not lower than the minimum price calculated in accordance with the Regulations for Preferential Issue contained in Chapter VII of SEBI (ICDR) Regulations as amended.

The details of the securities to be issued are as follows:

Name of Applicant (Proposed Allottee)	Maximum No of OCRPS proposed to be allotted
Non-Promoter Chemoil Advanced Management Services Private Limited	35,10,800

RESOLVED THAT pursuant to provisions of Section 62(3) & 42 of the Companies Act, 2013 or such other provisions as may be applicable and rules made thereunder, consent of the members be and is hereby accorded for converting loan of Chemoil Advanced Management Services Private Limited of Rs. 35,10,80,000/- (Rupees Thirty Five Crores Ten Lakhs Eighty Thousand Only) into 35,10,800 (Thirty Five Lakhs Ten Thousand and Eight Hundred Only) Optionally Convertible Redeemable Preference Shares of face value of Rs.10/- each at a price of Rs. 100/- each (which includes premium of Rs. 90).

RESOLVED FURTHER THAT the aforesaid OCRPS be converted at the option of the issuer at any time within 18 (eighteen) months from the date of issue, in one or more than one tranche.

RESOLVED FURTHER THAT the equity shares, OCRPS, equity shares on conversion of the OCRPS, to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company;

RESOLVED FURTHER THAT the equity shares to be allotted, equity shares to be allotted on conversion of OCRPS, shall rank pari passu in all respects with the existing equity shares of the Company including Dividend;

RESOLVED FURTHER THAT In the event of the Company making a bonus issue of shares or making rights issue of shares or any other securities in whatever proportion or any corporate action prior to the exercise of the rights attached to the OCRPS, the entitlement of the holders shall stand augmented in the same proportion in which the equity share capital of the company increases as a consequence of such bonus/rights issues or any corporate action and that the exercise price of the OCRPS to be adjusted accordingly, subject to such approvals as may be required.

RESOLVED FURTHER THAT the Relevant Date, as stipulated in the Regulation 73(4) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 for determination of the Issue Price of equity shares, equity shares on conversion of OCRPS, warrants, shall be thirty (30) days prior to the date of this Meeting or in the case where the Relevant Date falls on Weekend/Holiday, the day preceding the Weekend/Holiday will be reckoned to be the Relevant Date;

RESOLVED FURTHER THAT the Board be and is hereby authorized to approve the other terms and conditions of the issue and also to vary, alter or modify any of the terms and conditions in the proposal as may be required by the agencies/authorities involved in such issues but subject to such conditions as the Reserve Bank of India (RBI)/Securities and Exchange Board of India (SEBI)/Financial Institutions/Investment Institutions and/or such other appropriate authority may impose at the time of their approval and as agreed to by the Board;

RESOLVED FURTHER THAT the equity shares, the equity shares on conversion of the OCRPS of the company to be allotted, be listed on the stock exchanges where the shares of the Company are listed and that the Board be and is hereby authorised to make the necessary applications and to take all other steps as may be necessary for the approval of allotment of the equity shares, equity shares on conversion of the OCRPS of the Company and listing of the equity shares, equity shares on conversion of the OCRPS of the Company and for the admission of such equity shares of the Company with the depositories, i.e.,