



# DIGITIZING THE MARKET

ANNUAL REPORT 2020-21



CALIFORNIA SOFTWARE  
COMPANY LIMITED  
CHENNAI, INDIA

# CORPORATE INFORMATION

## Board of Directors

<b>Mr. Fredrick Bundle</b>	: Chairman
<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>Ms. AVN. Srimathi</b>	: Woman Independent Director
<b>Mr. Gopalakrishna Rao Purushothama</b>	: Independent Director
<b>Dr. R. S. Chandan</b>	: Independent Director
<b>Dr. B. Duraisamy</b>	: Independent Director
<b>Dr. Ashok Godavarthi</b>	: Independent Director
<b>Mr. M. Sampath</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

**S. Dhanapal and Associates**  
Practicing Company Secretaries

## Financial Auditor

**N. Balasubramanian Associates**  
Chartered Accountants

## Stock Exchanges

National Stock Exchange of India Limited  
BSE Limited

## Registered Office & Corporate Office:

California Software Company Limited,  
Workflo, Greeta Towers,  
Industrial Estate, Perungudi, OMR Phase I  
Chennai 600 096  
Contact Nos: +91- 94448 60882  
Email for shareholders: [investor@calsoftgroup.com](mailto:investor@calsoftgroup.com)  
Website: [www.calsoft.com](http://www.calsoft.com) / [www.calsoftgroup.com](http://www.calsoftgroup.com)



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A hand is shown in silhouette, pointing its index finger towards a glowing digital network structure. The network consists of numerous white nodes connected by thin white lines, with a bright blue light emanating from one of the nodes. The background is dark blue.

"CLEARLY, THE THING  
THAT'S TRANSFORMING IS  
NOT THE TECHNOLOGY —  
IT'S THE TECHNOLOGY THAT  
IS TRANSFORMING YOU."

- JEANNE W. ROSS OF MIT SLOAN'S CENTER  
FOR INFORMATION SYSTEMS RESEARCH -

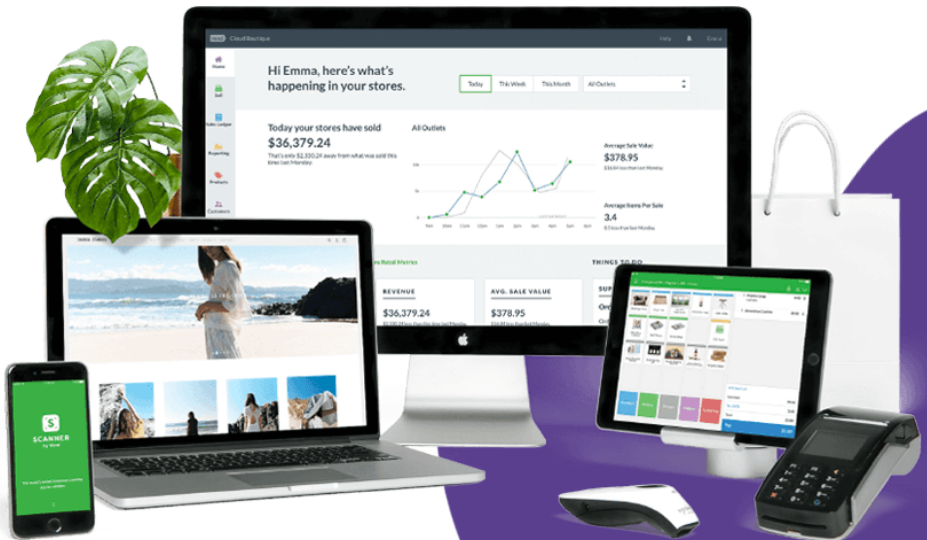
# ABOUT US

Calsoft story began in Chennai, India in 1992.

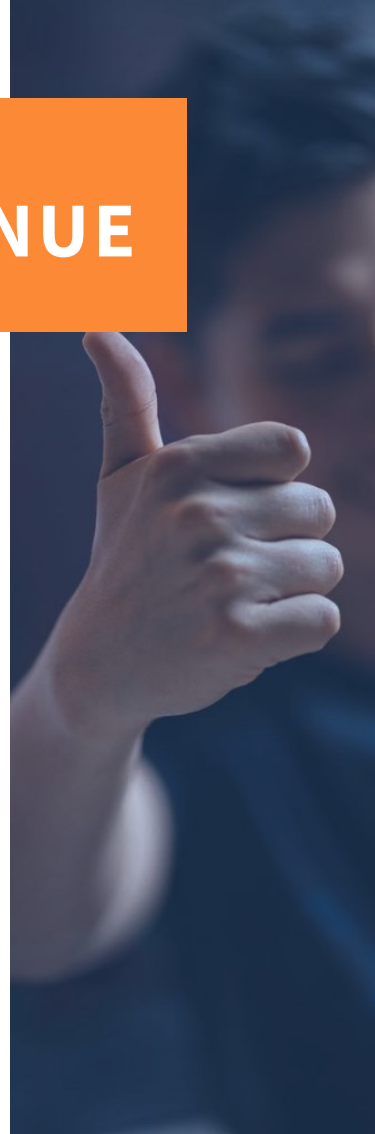
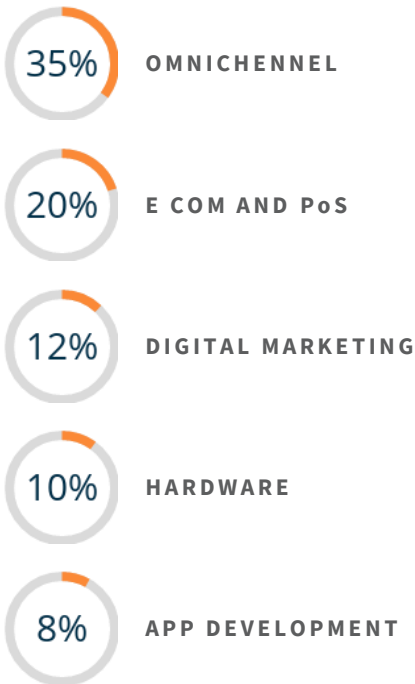
A strategy for the challenges and opportunities in all businesses is hurt by COVID-19, now, Calsoft is adjusting to its environment to maintain and strengthen its enduring partnerships with clients, just as it has always done over the past 25 years. This pandemic will lead to clients accelerating their shift to operating with digital business models.

Our Next Generation and Highly Secured business Business Platform 'dSPEEDUp eCom, dINSPIRA, dULTIMA, dCHAT are based on Digital Transformation of E Commerce Solutions by AI Integration for B2B (business-to-business) and B2C(business-to-customer) segments.

Calsoft are at new starting point to achieve its vision and mission, with core values “Keeping True Heart of Kindness, Determination and Perseverance, Striving for Success, Sharing and Growing with the Customers” that leads to great accomplishment.



# CUSTOMER ANALYSIS: REVENUE



# HIGHLIGHTS

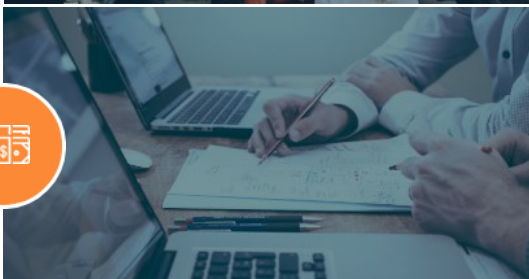
## dSPEEDUp

e Commerce Platform launched



## dINSPIRA PoS

Launched in Spain



## dBOT

A Conversational Platform launched



## dULTIMA

Omnichannel Solution Developed



# LETTER FROM THE CEO

Dear Shareholders,

Fiscal 2020-21 will be remembered as the year of COVID-19, we made significant progress in our effort to strengthen the company's position for accelerated revenue growth. We intensified our client-centricity, refined our strategy, and launched our core **e Commerce and Omnichannel Platforms in India and Spain** enabled us to make further expansion and growth.

We entered FY2020-21 with growing confidence in our prospects. We believe we are in a new phase of growth propelled by increased commercial momentum, a portfolio focused on faster-growing market and geographic segments, a stronger partner ecosystem, a more robust demand environment, and a better cost structure.

We entered the second half of the FY with a new growth model put in place, we are striving to reestablish calsoft as an industry leader leading the industry in digital business models. Digital channels in every industry, including retail, education, and healthcare, will increase in relevance. Our strong partner relationships, the resilience of our diversified business across industries, geographies and services.

Due to the changes resulting from **digital transformation**, business related issues are becoming increasingly significant within the digital services market. All of which will make our vision, purpose, and strategy more relevant than ever...we are optimistic and mindful of what we need to do to reach our mission... We see ample headroom for growth in developing digital engineering, artificial intelligence (AI) and analytics, intelligent process automation, Cloud and IoT.

Calsoft is positioned to provide integrated software and information services, i.e. end-to-end IT services, including **User-Interactive and Result-Oriented Web App Development Services, Our UI-UX Designs with innovative Mobile App Development Services Can Create Engaging User Experience For Business**, We provide best solutions for design and development of highly interactive and inventory **Point of Sale (PoS) and omni channel e commerce platforms**. We provide effective digital marketing and strategies which boost online presence, and We develop IoT Applications to make Workplace Smarter.



Acquisitions are essential to building critical skills and capabilities in strategic, high-growth areas, which enhance our differentiation and drive organic growth. We are in the process of acquiring e Commerce, AI and machine learning startups, Clinical data processing and management companies.

We help clients apply their data to drive business growth and efficiencies through the combined capabilities and solution portfolios of our core areas: Digital Business, Digital Operations, and Digital Systems and Technology. Calsoft must continue to serve as a trusted partner and advisor to businesses that strive to lead their industries by becoming increasingly productive and innovative. We help clients digitize their products and services, personalize their customer experiences, automate their essential processes, and modernize their technology infrastructures.

### **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 CS-Digital

We are in the process of developing and launching a "cloud-based software industry park". CS-Digital, 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.

### **"Shares the Same boat"** CS-Cloud Computing

CS-Digital will co-construct a new ecosystem for ITS industry CS-Cloud. Our goal is to become a strategic partner that "shares the same boat", as we further bundle both parties' functions and services.

**dSPEEDUp eCom** - Digital Transformation of E Commerce Solutions By AI Integration. By 2022, more than 80 percent of Ecommerce applications would be integrated with AI. dSPEEDUp-eCom is flexible framework to keep up with this growing list of emerging capabilities with AI integrations. dSPEEDUp-eCom drive B2B (business-to-business) and B2C(business-to-customer) segments.

### **dINSPIRA PoS Point of Sale**

dINSPIRA is a powerful PoS platform provides an uncompromised sales experience to sell any products, to manage a retail business, market to customers, and sell everywhere in one place.

### **dBOT - A Conversational Platform**

dBOT is powered by pre-programmed responses or artificial intelligence to answer questions without the need of a human operator

### **dULTIMA – omnichannel business platform**

dULTIMA's omnichannel platform is a sophisticated retail software and empowers the retailers to engage their customers with the consistent quality service across various channels of markets; online marketplaces, physical stores or a company website.

We have learned how deeply intertwined we are with our clients. It is clear that Calsoft's future lies in doing what we excel at: investing in talented, diverse, and engaged associates in an inclusive culture, identifying ----client needs and industry trends, and responding quickly with tailored solutions that facilitate client success.

We expect to emerge into a post-COVID world as a stronger, more focused, disciplined, diverse, and move closer to realizing our vision 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! And at one of the most challenging times in world history, we have emerged stronger. We enter fiscal 2021-22 with an even more durable foundation and an exciting future

We are grateful to Investors and Shareholders, for the Opportunity to earn your confidence and trust.

**Dr. M. Vasudevan**  
Chief Executive Officer

" We expect to emerge into a post-COVID world as a stronger, more focused, disciplined, diverse, and move closer to realizing our vision with our core values **"Keeping True Heart of Kindness, Determination and Perseverance, Striving for Success, Sharing and Growing with the Customers"** "



# KEY DEVELOPMENT AREAS



IoT DEVELOPMENT



MOBILE APP  
DEVELOPMENT



UI-UX DESIGN AND WEB  
DEVELOPMENT



DIGITAL COMMERCE



# NOTICE TO THE SHAREHOLDERS



Notice is hereby given that the Twenty-Ninth (29th) Annual General Meeting of California Software Company Limited (CIN: L72300TN1992PLC022135) will be held on **Wednesday, August 25, 2021, at 4.00 PM** at the registered office of the Company situated at Workflo, Greeta Towers, Industrial Estate, Perungudi OMR Phase 1, Chennai - 600096, through video conferencing (VC)/Other Audio Visual Means (OAVM) to transact the following business:

## **ORDINARY BUSINESS**

**1. To receive, consider and adopt the audited standalone and consolidated financial statements** of the Company comprising of audited balance sheet as of March 31, 2021, the statement of profit and loss and cash flow statement for the year ended on that date and the reports of the Board and Auditors' thereon.

### **2. To appoint statutory auditors and fix their remuneration**

**“RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (Including any statutory modification(s) or re-enactment thereof), and pursuant to the recommendation of the Audit Committee, M/s. N. Naresh & Co., Chartered Accountants (Firm Registration No. 011293S), be and are hereby appointed as the statutory auditors of the Company, for a period of five years to hold office from the conclusion of this 29th Annual General Meeting (AGM) until the conclusion of the 34th Annual General Meeting, on a remuneration of Rs.6 Lakhs per annum (exclusive of taxes and reimbursement of out of pocket expenses at actuals) in place of retiring auditors M/s. N Balasubramanian Associates, Chartered Accountants (Firm Registration No. 0355S) whose term ends at the conclusion of this Annual General Meeting”.

### **3. To reappoint Dr. Manimala Vasudevan (DIN: 01980557), who retires by rotation and being eligible, offers herself for re-appointment.**

All the Executive Directors and Non-Executive and Non-Independent Directors are liable to retire by rotation. Applying this principle, Dr. Manimala Vasudevan (DIN: 01980557) Whole time Director, who was appointed on the Board on 08-06-2018, in the current term, being the longest serving member, is liable to retire by rotation.

In this regard, the following resolution is placed before the Shareholders for approval.

To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provision of Section 196 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any, of the Companies Act 2013 (including any statutory modifications or re-enactments thereof, for the time being in force), Dr. Manimala Vasudevan be and is hereby re-appointed as Whole Time Director and Chief

Operating Officer of the Company for the remaining period of her appointment i.e., up to June 07, 2023, liable to retire by rotation.

**RESOLVED FURTHER THAT** any of the Directors of the Company be and is hereby severally authorized to do all such acts, deeds, matters and things as may be necessary, proper or expedient for the purpose of giving effect to this resolution.”

## SPECIAL BUSINESS

### 4. Rights Issue of equity shares

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 62, Section 23(1)(c) and other applicable provisions of the Companies Act, 2013, along with the rules made thereunder, each as amended (“**Companies Act**”) and in accordance with the provisions of the Memorandum of Association and the Articles of Association of the Company, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**SEBI ICDR Regulations**”), the Securities Contracts (Regulation) Act, 1956 as amended, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, the Foreign Exchange Management Act, 1999, as amended, rules, regulations made thereunder and any other provisions of applicable law, and subject to other approvals, permissions and sanctions of the lenders of the Company, Securities and Exchange Board of India (“**SEBI**”), the Stock Exchanges where the equity shares of the Company (“**Equity Shares**”) are listed (the “**Stock Exchanges**”), the Reserve Bank of India, the Ministry of Corporate Affairs, the Government of India and any other concerned statutory or regulatory authorities, if and to the extent necessary, and such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed in granting of such approvals, permissions and sanctions by any of the aforesaid authorities, the consent of the members of the Company be and is hereby accorded to offer, issue and allot Equity Shares or any other security convertible/exercisable into Equity Shares of the Company (the “**Securities**”) by way of a rights issue to the existing shareholders of the Company on a record date (“**Shareholders**”), to be decided at a later date at such price, at a premium or discount to the market price, considering the prevailing market conditions and such other considerations that the Board may, in its absolute discretion, decide, such that the aggregate value (including premium) does not exceed Rs. 300 Crores (“**Rights Issue**”) or such other sum as may be determined by the Board and on such other terms and conditions as may be mentioned in the draft Letter of Offer, Letter of Offer, Abridged Letter of Offer, and/ or Application Forms to be issued by the Company in respect of the Rights Issue (collectively referred to as “**Issue Documents**”), proposed to be utilized for the purpose of expansion of business and acquisitions to foster growth of business of the company in India and overseas and general corporate purposes and/or any other purpose that the Board may decide, to list the Equity Shares or any other security convertible/exercisable into Equity Shares allotted pursuant to the Rights Issue, on the Stock Exchanges and on such other terms and conditions as may be mentioned in the

Issue Documents, including granting of rights to the eligible Shareholders of the Company, to whom the offer is made to renounce the Securities being offered in the Rights Issue, in favor of any other person(s), rights to the persons to whom the Securities are being issued to apply for additional Securities, and to decide, at its discretion, the proportion in which such additional Securities shall be allotted.

**RESOLVED FURTHER THAT** all Securities so offered, issued and allotted by way of the Rights Issue shall be subject to the provisions of the Memorandum of Association and the Articles of Association of the Company

**RESOLVED FURTHER THAT** the Equity Shares, including Equity Shares upon conversion/exercise, if any, issued, shall rank *pari passu* in all respects with the then existing Equity Shares of the Company

**RESOLVED FURTHER THAT** for the purpose of giving effect to the Rights Issue, the Board is hereby authorized to constitute a committee for the said purpose with the composition of members as the Board may decide and deem fit and that the said Committee so constituted be authorized to do the following, if necessary:

- i. to appoint and enter into arrangements with the lead manager(s) for the Rights Issue (the "Lead Manager(s)"), legal advisor(s), registrar, ad-agency, monitoring agency, banker(s) to the Rights Issue and all other intermediaries and advisors necessary for the Rights Issue, to enter into and execute all such arrangements, contracts/agreements, memorandum, documents, etc., in connection therewith
- ii. to negotiate, authorize, approve, and pay commission, fees, remuneration, expenses and / or any other charges to the applicable agencies / persons and to give them such directions or instructions as it may deem fit from time to time
- iii. to approve and adopt any financial statements prepared for purposes of inclusion in the Issue Documents, pursuant to the requirements outlined by the SEBI ICDR Regulations or any other applicable law for time being in force, including intimating the approval and adoption of such financial statements to the Stock Exchanges, if required
- iv. to negotiate, finalise, settle, and execute the issue agreement, registrar agreement, monitoring agency agreement, ad-agency agreement, banker to the issue agreement and any other agreement with an intermediary and all other necessary documents, deeds, agreements and instruments in relation to the Rights Issue, including but not limited to any amendments/ modifications thereto
- v. to take necessary actions and steps for obtaining relevant approvals from SEBI, the Stock Exchanges, or such other authorities, whether regulatory or otherwise, as may be necessary in relation to the Rights Issue
- vi. to finalize the Issue Documents and any other documents as may be required and to file the same with SEBI, Stock Exchanges and other concerned authorities and issue the same to the Shareholders of the Company or any

other person in terms of the Issue Documents or any other agreement entered into by the Company in the ordinary course of business

- vii. to approve, finalize and issue in such newspapers as it may deem fit and proper all notices, including any advertisement(s)/ supplement(s)/ corrigenda required to be issued in terms of SEBI ICDR Regulations or other applicable SEBI guidelines and regulations or in compliance with any direction from SEBI and/or such other applicable authorities
- viii. to decide in accordance with applicable law, the terms of the Rights Issue, including the nature of the Securities, the total number, issue price and other terms and conditions for issuance of the Securities to be offered in the Rights Issue, and suitably vary the size of the Rights Issue, if required, in consultation with the Lead Manager(s)
- ix. to fix the record date for the purpose of the Rights Issue for ascertaining the names of the eligible Shareholders who will be entitled to the Securities, in consultation with the Stock Exchanges
- x. to decide the rights entitlement ratio in terms of number of Securities which each existing Shareholder on the record date will be entitled to, in proportion to the Securities held by the eligible Shareholder on such date
- xi. to open bank accounts with any nationalized bank / private bank / scheduled bank for the purpose of receiving applications along with application monies and handling refunds in respect of the Rights issue;
- xii. to appoint the collecting bankers for the purpose of collection of application money for the Rights Issue at the mandatory collection centers at the various locations in India;
- xiii. to decide on the marketing strategy of the Rights issue and the cost involved;
- xiv. to decide in accordance with applicable law on the date and timing of opening and closing of the Rights Issue and to extend, vary or alter or withdraw the same as it may deem fit at its absolute discretion or as may be suggested or stipulated by SEBI, the Stock Exchanges or other authorities from time to time;
- xv. to issue and allot Securities in consultation with the Lead Manager(s), the registrar, the designated Stock Exchange and the Stock Exchanges and to do all necessary acts, execution of documents, undertakings, etc. with National Securities Depository Limited and Central Depository Services (India) Limited, in connection with admitting the Securities issued in the Rights Issue;
- xvi. to sign the listing applications, print share certificates, issue ASBA instructions and Share Certificates;
- xvii. to apply to regulatory authorities seeking their approval for allotment of any unsubscribed portion of the Rights Issue (in favour of the parties willing to subscribe to the same) to decide, at its discretion, the proportion in which the allotment of additional Securities shall be made in the Rights Issue;



- xviii. to take such actions as may be required in connection with the creation of separate ISIN for the credit of rights entitlements in the Rights Issue;
- xix. to dispose of the unsubscribed portion of the Securities in such manner as it may think most beneficial to the Company, including offering or placing such Securities with promoter and / or promoter group / banks / financial institutions / investment institutions / mutual funds / foreign institutional investors / bodies corporate or such other persons as the Rights Issue Committee may in its absolute discretion deem fit;
- xx. to make necessary changes and to enter the names of the renounees, if they are not members of the Company in the register of members of the Company
- xxi. to decide the mode and manner of allotment of the Securities if any not subscribed and left / remaining unsubscribed after allotment of the Securities and additional Securities applied by the Shareholders and renounees;
- xxii. to finalise the basis of allotment of the Securities in consultation with Lead Manager(s), registrar and the designated Stock Exchange and Stock Exchanges, if necessary, including to decide the treatment of fractional entitlement, if any, in relation to the Securities to be issued pursuant to the Rights Issue;
- xxiii. to settle any question, difficulty or doubt that may arise in connection with the Rights issue including the issue and allotment of the Securities as aforesaid and to do all such acts, deeds and things as the Board may in its absolute discretion consider necessary, proper, desirable or appropriate for settling such question, difficulty or doubt and making the said Rights Issue and allotment of the Securities; and
- xxiv. to take all such steps or actions and give all such directions as may be necessary or desirable in connection with the Rights Issue and also to settle any question, difficulty or doubt that may arise in connection with the Rights Issue including the issuance and allotment of Securities as aforesaid and to do all such acts and deeds in connection therewith and incidental thereto, as the Rights Issue Committee may in its absolute discretion deem fit

**RESOLVED FURTHER THAT** all Directors of the Company or any other person authorised by the Board in this behalf (“Authorised Signatory”) be and is hereby severally authorized to generally do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, desirable and expedient in connection with the rights issue, including effecting any modifications or changes to the foregoing (including modification to the terms of the issue) making necessary filings with SEBI, the stock exchanges, Reserve Bank of India and any other regulatory authorities and execution of any documents or agreements on behalf of the Company and to represent the Company before any governmental authorities and to appoint any merchant bankers or other professional advisors, consultants and legal advisors, without being required to seek any fresh approval of the members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of the resolution and to settle all questions, difficulties or doubts that may arise in regard to the Rights

Issue and utilization of the proceeds of the Rights Issue and take all other steps which may be incidental, consequential, relevant or ancillary, to give effect to this resolution

**RESOLVED FURTHER THAT** the Equity Shares, including Equity Shares upon conversion / exercise, if any, to be allotted pursuant to the Rights Issue shall be listed on BSE Limited and National Stock Exchange of India and any of the Directors or any other person authorized by the Board in this behalf ("Authorised Signatory") be and is hereby severally authorized to sign necessary application forms and other documents / papers and take such action as may be required in this regard

**RESOLVED FURTHER THAT** every shareholder who is eligible to apply in the Rights Issue shall have a right to renounce their rights entitlement being offered, in favor of any other person(s). Every Shareholder, including renounee(s) shall be entitled to apply for additional Securities and the allotment of the additional securities shall be made in the proportion to be decided by the Board in consultation with Stock Exchanges

**RESOLVED FURTHER THAT** treatment of fractional entitlements will be finalized and disclosed in the offering documents."

## 5. Increase in Authorised Share Capital of the Company

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

**"RESOLVED THAT** in accordance with the provisions of Section 61 and Section 64 of the Companies Act, 2013 including any statutory modification or re-enactment thereof, for the time being in force (collectively, the "Act"), and subject to such approvals, consents, permissions and sanctions, if any, required from any authorities, the authorized share capital of the Company be and is hereby increased from Rs. 25,00,00,000 (Rupees Twenty Five Crores Only) divided into Rs. 21,00,00,000 (Rupees Twenty One Crores Only) Equity Shares of Rs.10/- (Rupees Ten Only) each and Rs. 4,00,00,000 (Rupees Four Crores Only) Redeemable Preference Shares of Rs.10/- (Rupees Ten Only) each **to The Authorised Share Capital of the Company is Rs. 175,00,00,000/- (Rupees One Hundred and Seventy Five Crores Only) divided into Rs. 171,00,00,000 (Rupees One Hundred and Seventy One Crores Only) divided into 17,10,00,000 (Seventeen Crores and Ten Lakhs Only) Equity Shares of Rs.10/- (Rupees Ten Only) each and Rs. 4,00,00,000 (Rupees Four Crores Only) divided into 40,00,000 (Forty Lakhs Only) Redeemable Preference Shares of Rs. 10/- (Rupees Ten Only) each**, each newly issued share ranking pari passu in all respects with the existing equity shares of the company.

**RESOLVED FURTHER THAT** any of the Directors of the Company be and is hereby severally authorized to do all such acts, deeds, matters and things as may be necessary, proper or expedient for the purpose of giving effect to this resolution."

## 6. Alteration to Memorandum of Association of the Company

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

**“RESOLVED THAT** pursuant to the provisions of Section 13 and any other applicable provisions of the Companies Act, 2013 and the rules framed thereunder, and subject to the approval of the members of the company, and any other approvals as may be necessary, the consent of the Board of Directors of the company be and is hereby accorded for substituting Clause V of the Memorandum of Association of the Company with the following clause:

*“V: The Authorised Share Capital of the Company is Rs. 175,00,00,000/- (Rupees One Hundred and Seventy Five Crores Only) divided into Rs. 171,00,00,000 (Rupees One Hundred and Seventy One Crores Only) divided into 17,10,00,000 (Seventeen Crores and Ten Lakhs Only) Equity Shares of Rs.10/- (Rupees Ten Only) each and Rs. 4,00,00,000 (Rupees Four Crores Only) divided into 40,00,000 (Forty Lakhs Only) Redeemable Preference Shares of Rs. 10/- (Rupees Ten Only) each with rights, privileges and conditions attaching thereto as are provided by the Articles of Association of the Company for the time being with power to increase and reduce the capital of the Company and to divide the shares in capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with Articles of Association of the Company for the time being and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Act, or provided by the Articles of Association of the Company for the time being.”*

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution and for removal of any doubts or difficulties, the board of directors of the Company (hereinafter referred to as the “Board”, which term shall be deemed to include any committee constituted or to be constituted by the Board to exercise its powers including the powers conferred by this resolution), be and is hereby authorized to do all such acts, deeds, matters and things and settle any or all questions or matters arising with respect to the increase in authorized share capital of the Company and the amendment to the memorandum of association of the Company and make all necessary filings and intimations to the Registrar of Companies and other appropriate authorities, and to give, from time to time, such directions as may be necessary, expedient, usual or proper as the Board in its absolute discretion may think fit and its decision shall be final and binding on all members and other interested persons”

## 7. Alteration to Articles of Association of the Company

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

**“RESOLVED THAT** the consent of the Company be and is hereby accorded under provisions of section 14 of the Companies Act, 2013 to amend the existing Article 4 of Articles of Association of the Company by replacing fully with the following:

*4. The Authorised Share Capital of the Company is Rs. 175,00,00,000/- (Rupees One Hundred and Seventy Five Crores Only) divided into Rs. 171,00,00,000 (Rupees One Hundred and Seventy One Crores Only) divided into 17,10,00,000 (Seventeen Crores and*

*Ten Lakhs Only) Equity Shares of Rs.10/- (Rupees Ten Only) each and Rs. 4,00,00,000 (Rupees Four Crores Only) divided into 40,00,000 (Forty Lakhs Only) Redeemable Preference Shares of Rs. 10/- (Rupees Ten Only) each.*

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the board of directors of the Company be and is hereby authorized to take all such steps and actions and give such directions as may in its absolute discretion, be deemed necessary and to settle any question or difficulty that may arise in this regard.”

## **8. Fixing of Remuneration for Dr. Manimala Vasudevan (DIN: 01980557) Whole-time Director and Chief Operating Officer**

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 197 read with Part I and Section I of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof), applicable clauses of the Articles of Association of the Company and recommendation of the Nomination and Remuneration Committee and consent of the Board, approval of the Company be and is hereby accorded for fixing the remuneration of Dr. Manimala Vasudevan (DIN: 01980557) Whole-time Director and Chief Operating Officer of the Company for the remaining period of her appointment i.e., up to June 07, 2023, as follows:

- i. Annual Gross Compensation (which includes basic, HRA, other allowances and commission etc.) is Rs. 12, 00,000/- (Rupees twelve lakhs only). The annual increment will be merit based and take into account the Company’s performance
- ii. Retirals: Company’s contribution to Provident Fund, to the extent these either singly or together, not taxable under the Income Tax Act; Gratuity payable as per the rules of the Company and encashment of leave at the end of tenure shall not be included in the computation of the limits for the remuneration or perquisites mentioned above
- iii. Minimum remuneration: Notwithstanding anything to the contrary herein contained where in any financial year during the currency of the tenure of the Whole time Director, the Company has no profits or inadequate profits, the Company will, subject to applicable laws and such sanctions and approvals as may be required, pay remuneration as provided herein above”

**RESOLVED FURTHER THAT** in the event of there being inadequacy or absence of profits in any financial year, she may be paid the above remuneration and perquisites as the minimum remuneration subject to the provisions of Schedule V of the Companies Act, 2013 and amendments thereto read with Schedule V of the Companies Act 2013 including any amendments thereto and / or any applicable notifications, circulars as may be issued by the Central Government/ Ministry of Corporate Affairs / Registrar of Companies from time to time.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the board of directors of the Company be and is hereby authorized to take all such steps and actions and give such directions as may in its absolute discretion, be deemed necessary and to settle any question or difficulty that may arise in this regard.”

### **9. Appointment of Mr. Frederick Ivor Bendle (DIN: 03156399) as Non-Executive Director of the Company**

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

“**RESOLVED THAT** pursuant provisions of Section 149, 152, 156 and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time, other applicable provisions, if any, of the Companies Act 2013 (including any statutory modifications or re-enactments thereof, for the time being in force), and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Mr. Frederick Ivor Bendle (DIN: 03156399), in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member signifying his intention to propose Mr. Frederick Ivor Bendle’s candidature for the office of Director, be and is hereby appointed as a Non-Executive, Non Independent Director, liable to retire by rotation, with effect from 31<sup>st</sup> July, 2021.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof) be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

### **10. Appointment of Mr. Gopalakrishna Rao Purushothama (DIN: 07556751) as an Independent Director of the Company**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 156 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time, other applicable provisions, if any, of the Companies Act 2013 (including any statutory modifications or re-enactments thereof, for the time being in force), and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Mr. Gopalakrishna Rao Purushothama (DIN: 07556751), who has submitted a declaration that he meets the criteria for independence as provided under Section

149(6) of the Act and Regulation 16(1) (b) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and who is eligible for appointment, , be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years commencing from July 31, 2021 up to July 30, 2026.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof) be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

### **11. Appointment of Dr. Ashok Godavarthi (DIN: 08389864) as an Independent Director of the Company**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 156 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time, other applicable provisions, if any, of the Companies Act 2013 (including any statutory modifications or re-enactments thereof, for the time being in force), and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Dr. Ashok Godavarthi (DIN: 08389864), who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and who is eligible for appointment, , be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years commencing from July 31, 2021 up to July 30, 2026.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof) be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

## 12. Appointment of Mr. Duraiswamy Basuvaiah (DIN: 09258691) as an Independent Director of the Company

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 156 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time, other applicable provisions, if any, of the Companies Act 2013 (including any statutory modifications or re-enactments thereof, for the time being in force), and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Dr. Duraiswamy Basuvaiah (DIN: 09258691), who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years commencing from July 31, 2021 up to July 30, 2026.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof) be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

## 13. Appointment of Mr. Vijayakumar Madhavan (DIN: 07892448) as Whole-time Director of the Company

To consider and, if thought fit, to pass the following resolution as a **Special 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, (“the Act”) read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time, other applicable provisions, if any, of the Companies Act 2013 (including any statutory modifications or re-enactments thereof, for the time being in force), including any statutory modification or re-enactment thereof for the time being in force, consent of the Company be and is hereby accorded to the appointment of Mr. Vijayakumar Madhavan (DIN 07892448) as the Whole-time Director of the Company for a period of 5 (five) years effective July 31, 2021 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 authorized 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 the event of there being inadequacy or absence of profits in any financial year, he may be paid the above remuneration and perquisites as the minimum remuneration subject to the provisions of Schedule V of the Companies Act, 2013 and amendments thereto read with Schedule V of the Companies Act 2013 including any amendments thereto and / or any applicable notifications, circulars as may be issued by the Central Government/ Ministry of Corporate Affairs / Registrar of Companies from time to time”

**By order of the Board**

**For CALIFORNIA SOFTWARE COMPANY LIMITED**

**Date: July 28, 2021**

**Place: Chennai**

**Dr. Mahalingam Vasudevan**

**Managing Director**

**DIN: 01608150**

**Registered Office:**

**Workflo, Greeta Towers, Industrial Estate,**

**Perungudi OMR Phase 1, Chennai-600096**



## Notes:

1. In view of the continuing COVID-19 global pandemic, social distancing norms, the Ministry of Corporate Affairs has issued a General Circular bearing No 20/2020 dated May 5, 2020, read with Circular No.14/2020 dated April 8, 2020 and Circular No.17/2020 dated April 13, 2020, Circular No.02/2021 dated January 13, 2021, allowing conducting of AGM through Video Conferencing ("VC") or other Audio Visual Means ("OAVM") without the physical presence of the members for the meeting at a common venue. In terms of the said Circulars and in compliance with the provisions of the Companies Act, 2013 and SEBI circular SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, and relevant circular of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the AGM of the Company is being held through VC / OAVM. Hence, Members can attend and participate in the AGM through VC / OAVM only. In accordance with the Secretarial Standard-2 on General Meeting issued by the Institute of Company Secretaries of India (ICSI) read with guidance/ clarification dated April 15, 2020, issued by ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM. The detailed procedure for participating in the meeting through VC / OAVM is appended herewith and also available at the Company's website [www.calsof.com](http://www.calsof.com)

2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, Secretarial Standards - 2 on General Meetings and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 setting out material facts in respect of the Special Businesses to be transacted at the 29<sup>th</sup> Annual General Meeting is annexed hereto

3. Since this AGM is being held through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, Body Corporate are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting. Corporate members intending to attend/vote at AGM through VC / OAVM by their respective authorized representative(s) pursuant to Section 113 of the Companies Act, 2013 are requested to send their Certified True Copy of the resolutions/ Power of Attorney to the Scrutinizer by e-mail at [secretarial@csdhanapal.com](mailto:secretarial@csdhanapal.com) with a copy marked to RTA- [yuvraj@integratedindia.in](mailto:yuvraj@integratedindia.in) and [calsoftsecretarial@gmail.com](mailto:calsoftsecretarial@gmail.com) authorizing their representatives to attend and vote on their behalf at the Annual General Meeting of the Company and to vote through remote e-voting

4. The tenure of M/s. N Balasubramanian Associates, Chartered Accountants (Firm Registration No. 0355S) Statutory Auditors of the Company is expiring at this Annual General Meeting. The Board has proposed the appointment of M/s. N. Naresh & Co., Chartered Accountants (Firm Registration No. 011293S) in place of the retiring statutory Auditor. Approval of the members is being sought for the same in item No. 2.

5. The Register of Members and the Share Transfer Books will remain closed from Wednesday, August 18, 2021 to Wednesday, August 25, 2021 (both days inclusive) for the purpose of Annual General Meeting for the financial year 2020-2021

6. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

7. The Company draws your attention to the notification issued by SEBI dated June 8, 2018 and the press release dated December 3, 2018 amending Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Pursuant to the amended provisions, any request for effecting transfer of shares in physical form shall not be processed except in case of transmission or transposition of shares unless the shares are held in demat form. Hence, the Company / Registrar and Share Transfer Agent would not be in a position to accept / process the requests for transfer of shares held in physical form with effect from 01.04.2019. As such, SEBI had mandated transfer of shares in dematerialised form alone. This measure is aimed at curbing fraud and manipulation risk in physical transfer of securities by unscrupulous entities. Transfer of securities only in demat form will improve ease, facilitate convenience and safety of transactions for investors. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact either the Company or M/s Integrated Enterprises (India) Limited (IEL) for assistance in this regard.

8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company /IEL

9. Members holding shares in Dematerialized form are requested to intimate any changes pertaining to their Bank details change of address / name etc., to their respective Depository Participant. Kindly quote Client ID and DPID numbers in all your correspondences. Members who hold shares in physical form are requested to notify any change in their particulars like changes in address, bank particulars etc., to the Company's Registrar and Share Transfer Agents (RTA) viz., Integrated Enterprises (India) Limited, 2nd Floor, Kences Towers, No. 1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai - 600 017, Tamil Nadu, India ([yuvraj@integratedindia.in](mailto:yuvraj@integratedindia.in)). Kindly quote the ledger folio number in all your correspondences

10. Members are requested to address all correspondence to the Company's Registrar and Share Transfer Agents (RTA) viz., Integrated Enterprises (India) Limited, 2nd Floor, Kences Towers, No. 1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai - 600 017, Tamil Nadu, India ([yuvraj@integratedindia.in](mailto:yuvraj@integratedindia.in)) or to the Company at its Registered Office at Workflo, Greeta Towers, Industrial Estate, Perungudi OMR Phase 1, Chennai – 600096

11. Members holding shares in physical form can avail the nomination facility by filing Form SH-13, as prescribed under Section 72 of the Companies Act, 2013 and the Rules made thereunder, with the Company. Members holding shares in demat form may contact their respective Depository Participants (DPs) for availing this facility

12. Pursuant to Sections 101 and 136 of the Companies Act, 2013 read with Rule 18(1) of the Companies (Management and Administration) Rules, 2014, the Notice calling the

29th AGM along with the Annual Report for the financial year 2020-2021 is being sent in electronic mode to all the Members who have registered their e-mail ID's with the Company/Depository Participants for communication purposes

13. In line with the MCA circulars the Notice convening 29th AGM and explanatory statement ('the Notice') and the Annual Report of the Company for the Financial Year 2020-2021 is available on the Company's website on <https://www.calsof.com>. The Notice and Annual Report of the Company is also hosted on the website of stock exchanges where the shares of the Company are listed i.e. BSE Limited (<https://www.bseindia.com>) and National Stock Exchange of India Limited (<https://www.nseindia.com>) and also on the website of National Depository Services (India) Limited ("NSDL") (agency for providing the VC/ OAVM facility/Remote e-Voting and e-voting system during the AGM) i.e., [www.evotingindia.com](http://www.evotingindia.com). For any communication, the shareholders may also send request to the following mail id: [calssoftsecretarial@gmail.com](mailto:calssoftsecretarial@gmail.com).

14. Attendance of the members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under section 103 of the Act

15. The relevant details as required under Regulation 36(3) of the Listing Regulations and clause 1.2.5 of Secretarial Standard -2 on General Meetings issued by the Institute of Company Secretaries of India (SS-2), in respect of the persons seeking appointment/re-appointment as Director is given in annexure forming part of this Notice

16. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to the Notice

17. The amount of dividend which remains unclaimed for a period of 7 years would be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government and pursuant to the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended ('IEPF Rules'), all the shares on which dividends remain unpaid or unclaimed for a period of seven consecutive years or more shall be transferred to the demat account of the IEPF Authority as notified by the Ministry of Corporate Affairs. As the Company has not declared any dividend for the year 2012-13 the transfer of amount of dividend which remains unclaimed for a period of 7 years to the IEPF account and the shares on which dividends remain unpaid or unclaimed for a period of seven consecutive years or more to the demat account of IEPF Authority does not arise.

18. All the material documents, Resolutions, Memorandum and Articles of Association of the Company etc. are open for inspection to the members during the office hour of all working day till the conclusion of the Annual General Meeting at the registered office of the Company.

19. For receiving the Notice and all other communications from the Company electronically

a) Members holding shares in physical mode and who have not registered / updated their email address with the Company are requested to register / update the same by writing to the Registrar and Transfer Agent (RTA) of the Company, Integrated Enterprises (India) Limited, email id: [yuvraj@integratedindia.in](mailto:yuvraj@integratedindia.in) with details of folio number and attaching a self-attested copy of PAN card.

b) Members holding shares in dematerialized mode are requested to register / update their email addresses with the relevant Depository Participant (DP).

c) If there is any change in the e-mail ID already registered with the Company / RTA, Members are requested to immediately notify such change to the Company / RTA in respect of shares held in physical form and to DPs in respect of shares held in electronic form.

20. All relevant documents referred to in the Notice and the Explanatory Statement will also be available electronically for inspection during the business hours on all working days without any fee by the Members from the date of circulation of the Notice up to the date of AGM i.e. August 25, 2021. Members seeking to inspect such documents can send an email to the Company at [calsoftsecretarial@gmail.com](mailto:calsoftsecretarial@gmail.com)

21. Members seeking any additional information on the subject matter to be placed at the AGM, are requested to write to the Company on or before August 18, 2021, through email on [calsoftsecretarial@gmail.com](mailto:calsoftsecretarial@gmail.com). The same will be replied by the Company suitably through email

## **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. N. Ramanathan, Partner, M/s. S Dhanapal & Associates, a firm of Practicing Company Secretaries 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 August 18, 2021.

**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 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 one-Voting: Active E voting 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 **[calsoftsecretarial@gmail.com](mailto:calsoftsecretarial@gmail.com)** with a copy marked to **[evoting@nsdl.co.in](mailto: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.

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

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

**C. Instructions for members for attending the AGM through VC/OAVM are as under**

- i. Members will be able to attend the AGM through VC/ OAVM provided by National Securities Depository Limited. (NSDL) by accessing the same at <https://www.evoting.nsdl.com> and click on the “video conference” and access the members’ login by using the remote e-voting credentials. The link for e-AGM will be available in members’ login where the EVENT and the name of the company can be selected;
- ii. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned above
- iii. Facility of joining the AGM through VC/OAVM shall opened 30 (thirty) minutes before the time scheduled for the AGM and shall be kept open throughout the proceedings of the AGM.
- iv. Members will be allowed to attend the AGM through VC/OAVM on first come first served basis
- v. Members will be required to allow “camera” and use internet with a good speed to avoid any disturbance during the meeting;
- vi. Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable wi-fi or LAN Connection to mitigate any kind of aforesaid glitches;
- vii. AGM Questions prior to e-AGM: Members who would like to express their views/ask questions during the meeting may log into <https://www.evoting.nsdl.com> and click on “Post your Questions”. Thereafter, the members may post their queries/views in the window provided by mentioning the name, demat account number/folio number, email id, mobile number. “Post your Questions” link shall commence on Thursday, the August 19, 2021 (10:00 AM) and ends on Friday, August 20, 2020 (5:00 PM).

- viii. Speaker Registration during e-AGM session: Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. Members who would like to express their views or ask questions during the AGM may register themselves by logging on to <https://www.evoting.nsdl.com> and clicking on “Speaker Registration”. You would have to mention the demat account number/folio number, city, email id, mobile number and then click on submit. The speaker registration shall commence on Thursday, the August 19, 2021 (10:00 AM) and ends on Friday, August 20, 2021, (5:00 PM). The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
- ix. Members who need assistance before or during the AGM, can contact Mr. Vijayakumar (Whole Time Director) at +91-44-3910 3600, 3616-20, 3644-45

## General guidelines for Members

- i. In case if the member is a Body Corporate/Institution, then they are requested to send scanned copy (PDF/JPG format) of its board or governing body resolution/authorization, authorizing its representative(s) to attend the AGM through VC/OAVM on its behalf and vote through remote e-voting. The said resolution/authorization shall be emailed to the Scrutinizer at [secretarial@csdhanapal.com](mailto:secretarial@csdhanapal.com) and copy marked to [calsoftsecretarial@gmail.com](mailto:calsoftsecretarial@gmail.com)
- ii. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- iii. A Member can vote either by remote e-Voting or at the AGM. If a Member votes by both the modes, then the votes cast through remote e-Voting shall prevail and the votes cast at the AGM shall be considered invalid.
- iv. The voting rights of the Members shall be in proportion to their share of the paid-up equity share capital of the Company as on 18th August 2021 (‘Cut-Off Date’).
- v. Any person who acquires shares of the Company and becomes a Member of the Company after the dispatch of the AGM Notice and holds shares as on the cut-off date, i.e. 18th August 2021, may obtain the login Id and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you have forgotten your password, you may reset your password by using “Forgot User Details/Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).



## D. 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](http://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 Saturday, the August 21, 2021 (10:00 AM) and ends on Tuesday, August 24, 2021 (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 August 18, 2021, may cast their vote electronically. The e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on is solution is cast by the member, the member shall not be allowed to change it.
- v. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
- vi. The result declared along with the Scrutinizer's Report shall be placed on the Company's website [www.calsof.com](http://www.calsof.com) and on the website of NSDL <https://www.evoting.nsdl.com> immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

Explanatory statement under Section 102(2) of the Companies Act, 2013 is applicable, since special business is proposed to be transacted at the Annual General Meeting.

**Details of Directors seeking appointment/ re-appointment at the AGM  
[Pursuant to Regulations 26(4) and 36(3) of the Listing Regulations and  
Secretarial Standard - 2 on General Meetings]**

<b>Name of the Director</b>	<b>Dr. Manimala Vasudevan Whole-time Director</b>	<b>Mr. Vijayakumar Madhavan Whole-time Director</b>
Director Identification Number (DIN)	01980557	07892448
Date of Birth and Age	06-05-1972 49 years	04-06-1970 51 years
Nationality	Indian	Indian
Date of first appointment on Board	08-06-2018	08-06-2018
Qualification	M. Sc., Ph.D.,	MCA.,MBA.
Expertise in specific functional areas	consulting engagements and management of large-scale technology programs as well as operations involved in Clinical Research	Business Analysis, Testing and Validation of Software's and Finance management
Terms and conditions of appointment / reappointment	Appointed as Whole time Director for a period of five years and liable to retire by rotation	Appointed as Whole time Director for a period of five years and liable to retire by rotation
Details of remuneration last drawn	NIL	10,00,000 p.a
Number of Board meetings attending during the year	6 (Six) meetings	6 (Six) meetings
Relationship with other Directors and KMP's	Spouse of Dr. Vasudevan Mahalingam, Managing Director	Not related with any Directors and KMP's of the company
Shareholding in the Company	NIL	3.32 %
List of Directorship held in other Companies (excluding foreign, private and Section 8 Companies)	Global Allied Pharmaceuticals Private Limited Roxaane Research Private Limited Hysynth Bio Technologies Private Limited	Global Allied Pharmaceuticals Private Limited Roxaane Research Private Limited Hysynth Bio Technologies Private Limited
Memberships/Chairmanships of Audit and Stakeholders Relationship Committees across Public Companies.	NIL	NIL

Name of the Director	Mr. Frederick Ivor Bendle Independent Director	Mr. Gopalakrishna Rao Purushothama Independent Director
Director Identification Number (DIN)	03156399	07556751
Date of Birth and Age	06-04-1956 65 years	01-05-1985 36 years
Nationality	Indian	Indian
Date of first appointment on Board	31-07-2021	31-07-2021
Qualification	Graduate in Law and member of The Institute of Chartered Accountants of England and Wales since 1982.	Science Graduate and post graduate degree in business administration
Expertise in specific functional areas	Project Execution and Financial Management	setting up manufacturing units, IT park, managing various businesses
Terms and conditions of appointment / reappointment	Appointed as Non Executive Director and liable to retire by rotation	Appointed as Independent Director for five years and not liable to retire by rotation
Details of remuneration last drawn	Nil	Nil
Number of Board meetings attending during the year	Nil	Nil
Relationship with other Directors and KMP's	Not related with any Directors and KMP's of the company	Not related with any Directors and KMP's of the company
Shareholding in the Company	Nil	Nil
List of Directorship held in other Companies (excluding foreign, private and Section 8 Companies)	Aspire Communications Private Limited Inatech India Private Limited Glencore Information Services Private Limited	Vindicare Pharma Private Limited Polar Infosystems India Private Limited Clairvoyance Business Holdings Private Limited
Memberships/Chairmanships of Audit and Stakeholders Relationship Committees across Public Companies.	Nil	Nil
Justification for choosing the appointees for appointment as Independent Directors	In the opinion of the Board, Mr. Frederick Ivor Bendle fulfills the conditions specified in the Act and the Rules made there under for appointment as Non Executive Director. The proposal for appointment of Director has been approved by the Board considering their skills, wide experience and knowledge.	In the opinion of the Board, Mr. Gopalakrishna Rao Purushothama fulfills the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management. The proposal for appointment of Director has been approved by the Board considering their skills, wide experience and knowledge.

Name of the Director	Dr. Ashok Godavarthi	Mr. Duraiswamy Basuvaiah
Director Identification Number (DIN)	08389864	09258691
Date of Birth and Age	29-08-1977 44 years	05-02-1961 60 years
Nationality	Indian	Indian
Date of first appointment on Board	31-07-2021	31-07-2021
Qualification	Post graduate degree in Pharmacy and Doctor of Philosophy	Post graduate degree and PhD
Expertise in specific functional areas	Biotechnological research products	Research and Development
Terms and conditions of appointment / reappointment	Appointed as Independent Director for five years and not liable to retire by rotation	Appointed as Independent Director for five years and not liable to retire by rotation
Details of remuneration last drawn	Nil	Nil
Number of Board meetings attending during the year	Nil	Nil
Relationship with other Directors and KMP's	Not related with any Directors and KMP's of the company	Not related with any Directors and KMP's of the company
Shareholding in the Company	Nil	Nil
List of Directorship held in other Companies (excluding foreign, private and Section 8 Companies)	Excentrio Therapeutics LLP Bangalore Archivals Private Limited	Nil
Memberships/Chairmanships of Audit and Stakeholders Relationship Committees across Public Companies.	Nil	Nil
Justification for choosing the appointees for appointment as Independent Directors	In the opinion of the Board, Dr. Ashok Godavarthi fulfills the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management. The proposal for appointment of Director has been approved by the Board considering their skills, wide experience and knowledge.	In the opinion of the Board, Mr. Duraiswamy Basuvaiah fulfills the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management. The proposal for appointment of Director has been approved by the Board considering their skills, wide experience and knowledge.

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (“Act”)

As required under Section 102 of the Companies Act, 2013 (“Act”), the following explanatory statement sets out all material facts relating to business mentioned in the accompanying Notice:

### Item No.2

M/s. N Balasubramanian Associates, Chartered Accountants were appointed as Statutory Auditors of the Company at the 24th AGM held on September 28, 2016 to hold office up to conclusion of the 29th AGM. As the term of 5 years of the present Statutory Auditor ended the Board thus appointed M/s. N. Naresh & Co., Chartered Accountants (Firm Registration No. 011293S) as Statutory Auditors of your Company from the conclusion of the 29<sup>th</sup> AGM till the conclusion of 34<sup>th</sup> AGM of the Company to be held in the year 2026.

M/s. N. Naresh & Co., Chartered Accountants (Firm Registration No. 011293S) have consented to act as statutory auditors of the Company and given a certificate in accordance with Section 139, 141 and other applicable provisions of the Act to the effect that their appointment, if made, shall be in accordance with the conditions prescribed and that they are eligible to hold office as Statutory Auditors of the Company.

The proposed fee for the said appointment will be Rs. 6 lakhs (exclusive of taxes and reimbursement of out of pocket expenses at actuals) which is in line with the industry standards and is not materially different from the fee paid to the erstwhile auditors.

The Audit Committee has taken into account the experience and expertise of the auditors and recommended them to the Board for appointment. The Board accordingly recommends to the Shareholders the appointment of M/s. N. Naresh & Co., Chartered Accountants (Firm Registration No. 011293S) as statutory auditors of the Company.

None of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested in the said resolutions either financially or otherwise in the Company in the proposed Resolution at Item No. 2 of the accompanying Notice

### Item No. 4: Approval for Rights Issue of Equity Shares

Your Board of Directors is envisaging plans to consider expansion of business in the areas of Artificial Intelligence, IoT, Machine Learning techniques, UI-UX Designs services, innovative Mobile App Development Services for the design and development of highly interactive and inventory Point of Sale (PoS) and omni channel e-commerce platforms, Online multi store (Multiple store fronts) and also propose to implement customizable

business solutions for a minimum of 100 thousand small and medium retailers and wholesalers, globally.

Expansion and acquisitions are imperative to build critical skills and capabilities in strategic, high-growth areas, particularly e Commerce, AI and machine learning startups, Clinical data processing and management companies, which enhance our differentiation and drive organic growth. For the purpose of expansion and acquisitions to foster the growth of business of the company in India and overseas, the company needs to raise funds.

Accordingly, your Board of Directors at their meeting held on 28<sup>th</sup> July 2021 has approved the offer and issuance of fully paid-up equity shares of the Company (the "Equity Shares") for an amount not exceeding Rs. 300/- Crore (Rupees Three Hundred Crore Only) by way of a rights issue to the eligible equity shareholders of the Company in accordance with Companies Act, 2013 and rules made thereunder and other applicable laws, including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

The above raising of funds through issue of Equity shares on rights basis to the eligible equity shareholders as on the record date as may be determined by the Board of Directors or by any committee constituted by the Board for the above purpose inter alia requires the Company to obtain the approval of the shareholders by way of special resolution and accordingly the approval of the members of the Company is being sought, by way of a special resolution, to offer and issue Equity Shares on Rights basis to the eligible equity shareholders of the Company.

The issue of Equity Shares on rights basis is in accordance with the provisions of the Articles of Association of the Company. The Board of Directors recommends the resolution as set out at Item No. 4 of the accompanying Notice for approval of the Members of the Company. This resolution is an enabling resolution and is being proposed to give adequate flexibility and discretion to the Board of Directors to undertake the matters as set out therein.

None of the Directors of the Company or their relatives, Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financial or otherwise, except to the extent of their equity holding in the Company in the proposed Resolution at Item No. 4 of the accompanying Notice.

### **Item No. 5, 6 & 7: Approval for Increase in the Authorised Share Capital, Alteration of Memorandum of Association and Alteration of Articles of Association**

Your Board of Directors is envisaging plans to consider expansion of business in the areas of Artificial Intelligence, IoT, Machine Learning techniques, UI-UX Designs services, innovative Mobile App Development Services for the design and development of highly interactive and inventory Point of Sale (PoS) and omni channel e commerce platforms, Online multi store (Multiple store fronts) and also propose to implement customizable business solutions for a minimum of 100 thousand small and medium retailers and wholesalers, globally.

Expansion and Acquisitions are imperative to build critical skills and capabilities in strategic, high-growth areas, particularly e Commerce, AI and machine learning startups, Clinical data processing and management companies, which enhance our differentiation and drive organic growth. For the purpose of expansion and acquisitions to foster the growth of business of the company in India and overseas, the company needs to raise funds.

As the Company is proposing to raise funds through rights issue, the existing Authorised Share Capital is not sufficient to accommodate the proposed quantum of the rights issue and therefore it is required to increase the Authorised Share Capital of the Company. The Board of Directors in its meeting held on 28<sup>th</sup> July 2021 has proposed to increase the Authorised Share Capital to Rs. 175,00,00,000 (Rupees One Hundred and Seventy-Five Crores Only) divided into Rs. 171,00,00,000 (Rupees One Hundred and Seventy-One Crores Only) divided into 17,10,00,000 (Seventeen Crores and Ten Lakhs Only) Equity Shares of Rs.10/- (Rupees Ten Only) each and Rs. 4,00,00,000 (Rupees Four Crores Only) divided into 40,00,000 (Forty Lakhs Only) Redeemable Preference Shares of Rs.10/- (Rupees Ten Only) each.

In furtherance to the increase in the Authorised Share Capital of the Company from Rs. 25,00,00,000 (Rupees Twenty-Five Crores Only) to Rs. 175,00,00,000 (Rupees One Hundred and Seventy-Five Crores Only) the Clause V of the Memorandum of Association and Article 4 of the Articles of Association is required to be amended to give effect to the said increase in the Authorised Share Capital. The Board of Directors accordingly recommends the resolutions proposed at Item No.5 and 6 for the approval of the shareholders.

None of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested in the said resolutions either financially or otherwise, except to the extent of their equity holding in the Company in the proposed Resolutions at Item No. 5 & 6 of the accompanying Notice.

### **Item No. 8: Fixing of Remuneration for Dr. Manimala Vasudevan (DIN: 01980557) Whole-time Director and Chief Operating Officer**

Dr. Manimala Vasudevan holds a Doctorate in Pharmacokinetics and Clinical Research Dr. MGR University, Chennai. A professional with over 28 years of experience in the Pharmacovigilance, Clinical Data Management, Clinical Data Analytics, thereby gaining rich experience in consulting engagements and management of large-scale technology programs as well as operations involved in Clinical Research. At Calsoft, she is responsible for driving excellence in service delivery involved in health care sectors, governance of key programs and initiatives as well as enterprise-wide compliance.

Dr. Manimala Vasudevan (DIN -01980557) was appointed as an Executive Director and Chief Operating Officer of the Company with effect from June 8, 2018. Remuneration was fixed for her for 5 years from the date of her appointment, which is required to be renewed for the remaining period of her tenure.

The board proposes the resolution No. 8 for the approval of the Shareholders.

Except Dr. Manimala Vasudevan and her spouse Dr. Vasudevan Mahalingam, and her relatives, none of the Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, in the Resolution set out at Item No. 7 of this Notice

### **Item No. 9: Appointment of Mr. Frederick Ivor Bendle (DIN: 03156399) as Non-Executive Director of the Company**

The Company has received a notice under Section 160 of the Companies Act, 2013, signifying their intention to propose the candidature of Mr. Frederick Ivor Bendle for the office of Director of the Company.

Mr. Frederick Ivor Bendle (DIN: 03156399) who was appointed as Non-Executive Director of the Company with effect from July 31, 2021, to hold office up to the date of this Annual General Meeting in terms of Section 161(1) of the Act. He has been Chief Financial Officer of Chemoil, a Glencore Company since August 2012, Prior to this, Mr. Frederick Ivor Bendle was head of the Chemoil back-office service company "CAMS" and then as Chief Executive Officer of Calsoft and as a Director of Chemoil-Adani Pte. Ltd. He has held several senior roles for Glencore including Project Director for the multi-billion dollar "Cartagena Refinery Expansion Project" in Colombia, CFO of the Fujairah Refinery Company in the UAE and the Lisichansk Refinery in Ukraine. He also represented Glencore in the acquisition and management of oil production assets in Russia and West Africa. Prior to Glencore, he has spent three years with Kuwait Petroleum Limited as CFO of oil exploration and production operations in Egypt and Tunisia and was previously CFO of a London listed oil Exploration Company and CFO of a Canadian listed oil services group. Mr. Frederick Bendle is a Graduate in Law and has been a member of The Institute of Chartered Accountants of England and Wales since 1982. The other details of Mr. Frederick Ivor Bendle (DIN: 03156399) in terms of Regulation 36(3) of the Listing Regulation and Secretarial Standard 2 is annexed to this Notice. Mr. Frederick Ivor Bendle is not related to any Director of the Company.

In terms of proviso to sub-section (5) of Section 152, the Board of Directors is of the opinion that Mr. Frederick Ivor Bendle (DIN: 03156399) fulfils the conditions specified in the Act for his appointment as Non-Executive Director. After taking into consideration the recommendation of the Nomination & Remuneration Committee, the Board is of the opinion that Mr. Frederick Ivor Bendle's vast knowledge and varied experience will be of great value to the Company and has recommended the Resolution at Item No. 9 of this Notice relating to the appointment of Mr. Frederick Ivor Bendle as a "Non-Executive Director", liable to retire by rotation for your approval

As Non-Executive Director shall be entitled to sitting fee for attending Board/ Committee meetings and commission, if any, paid in terms of the provisions of the Act. The terms and conditions of his appointment are available for inspection and place on website of the Company. The Board recommends the Resolution at Item No. 8 of this Notice for approval of the Members. Except Mr. Frederick Ivor Bendle and his relatives, none of the Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, in the Resolution set out at Item No. 9 of this Notice.



## **Item No. 10: Appointment of Mr. Gopalakrishna Rao Purushothama (DIN: 07556751) as an Independent Director of the Company**

Mr. Gopalakrishna Rao Purushothama (DIN: 07556751) who was appointed as an Independent Director of the Company with effect from July 31, 2021 to hold office up to the date of this Annual General Meeting in terms of Section 161(1) of the Act. Mr. Gopalakrishna Rao Purushothama (DIN: 07556751), aged 36 years is an entrepreneur with 12 years of experience in setting up manufacturing units, IT park, managing various businesses and having a demonstrated track record of executing diversified projects. He has gained expertise in anticipating turbulence, leading in uncertainty, and restoring confidence. He is a science graduate from the University of Mysore and holds a post graduate degree in business administration. The other details of Mr. Gopalakrishna Rao Purushothama (DIN: 07556751) in terms of Regulation 36(3) of the Listing Regulation and Secretarial Standard 2 is annexed to this Notice. Mr. Gopalakrishna Rao Purushothama is not related to any Director of the Company.

In terms of proviso to sub-section (5) of Section 152, the Board of Directors is of the opinion that Mr. Gopalakrishna Rao Purushothama fulfils the conditions specified in the Act for his appointment as an Independent Director. After taking into consideration the recommendation of the Nomination & Remuneration Committee, the Board is of the opinion that Mr. Gopalakrishna Rao Purushothama's expert knowledge and varied experience will be of great value to the Company and has recommended the Resolution at Item No. 9 of this Notice relating to the appointment of Mr. Gopalakrishna Rao Purushothama as an "Independent Director", not liable to retire by rotation for a period of five consecutive years w.e.f. July 31, 2021 to July 30, 2026, for the your approval

Mr. Gopalakrishna Rao Purushothama has given a declaration to the Board that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI Listing Regulations. The Company has also received:

- a. the consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014 and
- b. Intimation in Form DIR-8 pursuant to Companies (Appointment and Qualification of Directors) Rules, 2014 that he is not disqualified under section 164(2) of the Companies Act, 2013.
- c. A declaration to the effect that he meets the criteria of independence as provided Section 149(6) of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that he is not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India (SEBI).

As an Independent Directors shall be entitled to sitting fee for attending Board/ Committee meetings and commission, if any, paid in terms of the provisions of the Act. The terms and conditions of his appointment are available for inspection and place on website of the Company. The Board recommends the Resolution at Item No. 10 of this Notice for approval of the Members. Except Mr. Gopalakrishna Rao Purushothama and his relatives, none of the Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, in the Resolution set out at Item No. 10 of this Notice.

## Item No. 11: Appointment of Dr. Ashok Godavarthi (DIN: 08389864) as an Independent Director of the Company

Dr. Ashok Godavarthi (DIN: 08389864) who was appointed as an Independent Director of the Company with effect from July 31, 2021, to hold office up to the date of this Annual General Meeting in terms of Section 161(1) of the Act. Dr. Ashok Godavarthi (DIN: 08389864), aged 44 years is a Biotechnologist, having 20 years of experience in handling biotechnological research products, presently working as Chief Executive Officer at Radiant Research Services Pvt Ltd, Bangalore involved in pre-clinical and clinical research services to Pharma, Herbal, Ayurveda, Nutraceutical and Cosmetic industries. He also worked in R&D center of Himalaya Drug Company, Bangalore, involved in development of drugs against cancer, viral disease, and metabolic disorders. Dr. Ashok Godavarthi holds a post graduate degree in Pharmacy and Doctor of Philosophy. The other details of Dr. Ashok Godavarthi (DIN: 08389864) in terms of Regulation 36(3) of the Listing Regulation and Secretarial Standard 2 is annexed to this Notice. Dr. Ashok Godavarthi is not related to any Director of the Company.

In terms of proviso to sub-section (5) of Section 152, the Board of Directors is of the opinion that Dr. Ashok Godavarthi fulfils the conditions specified in the Act for his appointment as an Independent Director. After taking into consideration the recommendation of the Nomination & Remuneration Committee, the Board is of the opinion that Dr. Ashok Godavarthi's vast knowledge and varied experience will be of great value to the Company and has recommended the Resolution at Item No. 10 of this Notice relating to the appointment of Dr. Ashok Godavarthi as an "Independent Director", not liable to retire by rotation for a period of five consecutive years w.e.f. July 31, 2021 to July 30, 2026, for the your approval

Dr. Ashok Godavarthi has given a declaration to the Board that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI Listing Regulations. The Company has also received:

- a. the consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014 and
- b. Intimation in Form DIR-8 pursuant to Companies (Appointment and Qualification of Directors) Rules, 2014 that he is not disqualified under section 164(2) of the Companies Act, 2013.
- c. A declaration to the effect that he meets the criteria of independence as provided Section 149(6) of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that he is not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India (SEBI).

As an Independent Directors shall be entitled to sitting fee for attending Board/Committee meetings and commission, if any, paid in terms of the provisions of the Act. The terms and conditions of his appointment are available for inspection and also placed on website of the Company. The Board recommends the Resolution at Item No. 11 of this Notice for approval of the Members. Except Dr. Ashok Godavarthi and his relatives, none of the Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, in the Resolution set out at Item No. 11 of this Notice.

**Item No. 12: Appointment of Mr. Duraiswamy Basuvaiah (DIN: 09258691) as an Independent Director of the Company**

Mr. Duraiswamy Basuvaiah (DIN: 09258691) who was appointed as an Independent Director of the Company with effect from July 31, 2021 to hold office up to the date of this Annual General Meeting in terms of Section 161(1) of the Act. Mr. Duraiswamy Basuvaiah (DIN: 09258691), aged 60 years has more than 30 years of experience in Research and Development guided more than 10 research projects and also he was teaching post graduate students at Dr MGR Medical University and JSS University. He published more than 50 research publications at various international Scientific Journals. Dr B. Duraisamy holds a post graduate degree and PhD. The other details of Mr. Duraiswamy Basuvaiah (DIN: 09258691) in terms of Regulation 36(3) of the Listing Regulation and Secretarial Standard 2 is annexed to this Notice. Mr. Duraiswamy Basuvaiah is not related to any Director of the Company.

In terms of proviso to sub-section (5) of Section 152, the Board of Directors is of the opinion that Mr. Duraiswamy Basuvaiah fulfils the conditions specified in the Act for his appointment as an Independent Director. After taking into consideration the recommendation of the Nomination & Remuneration Committee, the Board is of the opinion that Mr. Duraiswamy Basuvaiah's vast knowledge and varied experience will be of great value to the Company and has recommended the Resolution at Item No. 12 of this Notice relating to the appointment of Mr. Duraiswamy Basuvaiah as an "Independent Director", not liable to retire by rotation for a period of five consecutive years w.e.f. July 31, 2021 to July 30, 2026, for the your approval

Mr. Duraiswamy Basuvaiah has given a declaration to the Board that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI Listing Regulations. The Company has also received:

- a. the consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014 and
- b. Intimation in Form DIR-8 pursuant to Companies (Appointment and Qualification of Directors) Rules, 2014 that he is not disqualified under section 164(2) of the Companies Act, 2013.
- c. A declaration to the effect that he meets the criteria of independence as provided Section 149(6) of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that he is not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India (SEBI).

As an Independent Directors shall be entitled to sitting fee for attending Board/ Committee meetings and commission, if any, paid in terms of the provisions of the Act. The terms and conditions of his appointment are available for inspection and also place on website of the Company. The Board recommends the Resolution at Item No. 11 of this Notice for approval of the Members. Except Mr. Duraiswamy Basuvaiah and his relatives, none of the Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, in the Resolution set out at Item No. 11 of this Notice

**Item No. 13: Appointment of Mr. Vijayakumar Madhavan (DIN 07892448) as Whole-time Director of the Company**

To appoint Mr. Vijayakumar Madhavan (DIN 07892448) as Whole-time Director, to hold office for a term of five years commencing from July 31, 2021 to July 30, 2026.

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, appointed Mr. Vijayakumar Madhavan (DIN 07892448) as a Whole-time Director of the Company with effect from July 31, 2021 pursuant to the provisions of Section 161(1) of the Act and Article 73 of the Articles of Association of the Company, he holds office up to the date of this AGM and is eligible to be appointed as Whole-time Director, whose office shall be liable to retire by rotation.

Mr. Vijayakumar Madhavan holds a post graduate degree. A professional with over 28 years of experience in Business Analysis, Testing and Validation of Software's and Finance management. At Calsoft, he is responsible for driving excellence in testing and validation of various applications and products. Further details of Mr. Vijayakumar Madhavan have been given in the Annexure to this Notice.

The Board recommends the Resolution at Item No. 12 of this Notice for approval of the Members.

Except Mr. Vijayakumar Madhavan, and his relatives, none of the Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, in the Resolution set out at Item No. 12 of this Notice

**The following additional information as required under Schedule V of the Companies Act, 2013 is given below for Dr. Manimala Vasudevan and Mr. Vijayakumar Madhavan****I. General Information****1. Nature of Industry**

Artificial Intelligence, IoT, Machine Learning techniques, UI-UX Designs services, innovative Mobile App Development Services for the design and development of highly interactive and inventory Point of Sale (PoS) and omni channel e commerce platforms, Online multi store (Multiple store fronts)

**2. Date or expected date of commencement of commercial production: 06/02/1992****3. In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:**

Not Applicable.

**4. Financial Performance based on given indicators**

Particulars	Current year	Previous year
Total income	1,34,33,861	1,45,00,000
Expenditure other than interest and depreciation	1,25,80,746	78,59,587
Profit before Interest, Depreciation and Tax	8,53,115	66,40,413
Interest (net)	0	0
Profit before Depreciation and Tax	8,53,115	66,40,413
Depreciation	0	0
Profit before Tax and Exceptional Items	8,53,115	66,40,413
Provision for Current Tax	2,21,810	19,90,000
Provision for Deferred Tax	0	0
Net Profit	6,31,305	46,50,413

**5. Foreign Investments and Collaborations:** The Company has not made any Foreign Investments and neither entered into any collaborations during the last year

**II. Information about the Appointees****1. Background Details**

a) Dr. Manimala Vasudevan (DIN: 01980557) holds a Doctorate in Pharmacokinetics and Clinical Research Dr. MGR University, Chennai. A professional with over 28 years of experience in the Pharmacovigilance, Clinical Data Management, Clinical Data Analytics, thereby gaining rich experience in consulting engagements and management of large-scale technology programs as well as operations involved in Clinical Research. At Calsoft, she is responsible for driving excellence in service delivery involved in health care sectors, governance of key programs and initiatives as well as enterprise-wide compliance.

b) Mr. Vijayakumar M (DIN: 07892448) is the Whole time Director of the Company who holds MCA, MBA., degree and has extensive experience in the business of the Company. A professional with over 28 years of experience in Business Analyst, Testing and Validation of software's and Finance Management. At Calsoft, he is responsible for driving excellence in testing and validation of various applications and products.

**2. Past remuneration:**

- a) Dr. Manimala Vasudevan (DIN: 01980557): Nil
- b) Mr. Vijayakumar M (DIN: 07892448): Rs. 10,00,000/- pa

**3. Recognition and Awards: NIL****4. Job profile Suitability:**

Dr. Manimala Vasudevan has experience in the Pharmaco vigilance, Clinical Data Management, Clinical Data Analytics, thereby gaining rich experience in consulting engagements and management of large scale technology programs as well as operations involved in Clinical Research.

Mr. Vijayakumar M has extensive experience in the business of the Company.

**5. Remuneration proposed:** As per Resolution No. 7 and 12**6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)**

Taking into consideration the size of the Company, the profile, knowledge, skills and responsibilities shouldered by Dr. Manimala Vasudevan and Mr. Vijayakumar M, the remuneration proposed to be paid commensurate with the remuneration packages paid to their similar counterparts in other companies

**7. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel**

Besides the remuneration proposed to be paid to Dr. Manimala Vasudevan and Mr. Vijayakumar M, they do not have any other pecuniary relationship with the Company or relationships with any other managerial personnel and Directors except that Dr. Manimala Vasudevan is the spouse of Dr. Vasudevan Mahalingam.

**III. Other Information****1. Reasons of loss or inadequate profits:**

Due to the changes resulting from digital transformation, business related issues are becoming increasingly significant within the digital services market. We see ample headroom for growth in developing digital engineering, artificial intelligence (AI) and analytics, intelligent process automation, Cloud and IoT projects. Last three years we invested all our revenues for the development of e commerce applications, due to which company incurred inadequate profits in the respective years.

**2. Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms:**

As explained above, the Company has launched its e commerce platforms in India and Spain, shall generate new revenues which transform into profit making company.

**IV. Disclosures:**

The information and disclosures of the remuneration package of the managerial personnel have been mentioned in the Annual Report in the Corporate Governance Report under the heading Remuneration in Rupees paid or payable to Directors for the year ended March 31, 2021

**By order of the Board  
For CALIFORNIA SOFTWARE COMPANY LIMITED**

**Date: July 28, 2021  
Place: Chennai**

**Dr. Mahalingam Vasudevan  
Managing Director  
DIN: 01608150**

**Registered Office:  
Workflo, Greeta Towers, Industrial Estate  
Perungudi OMR Phase 1, Chennai-600096**



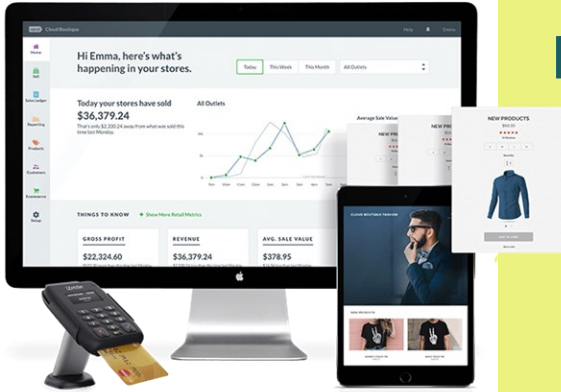
Realize Your Ideas

# DIRECTORS REPORT





# MANAGEMENT DISCUSSION AND ANALYSIS



Dear Shareholders,

We are presenting our Report on the Business and Operations of your company and its working results for the Financial Year 2020-21.

The COVID-19 pandemic has created significant volatility, uncertainty and economic disruption. The pandemic has resulted in authorities around the world implementing numerous unprecedented measures such as travel restrictions, quarantines, shelter in place orders, social distancing measures and temporary business closures. The pandemic and the actions taken by governments, businesses and individuals in response to the pandemic have resulted in, and are expected to continue to result in, a substantial curtailment of business activities, weakened economic conditions, significant economic uncertainty and volatility. The pandemic is significantly adversely impacting and could in the future materially adversely impact of business, operations and financial results.

During 2019-20, we made significant progress in our effort to strengthen the company's position for accelerated revenue growth. We intensified our focus in developing Digital and Analytics services, Big data analytics, Machine Learning, Cloud Computing, digital engineering and connected products, artificial intelligence (AI) and analytics, intelligent process automation, industry and platform solutions, and interactive customer experiences.

We entered 2021-22 with growing confidence in our prospects. Today, Calsoft business is focused on providing end-to-end capabilities at scale across the full spectrum of professional services—spanning strategy, consulting, digital, technology and operations. By combining calsoft's capabilities across these businesses, Calsoft uniquely positioned to drive large-scale transformation for clients. We are resolved to reestablish calsoft as an industry leader.

## About the Playground

[Our Story](#)



# DIGITAL TRANSFORMATION AND eCOMMERCE

The industry of the future will be an industry in the era of the digital revolution, capable of producing more smartly, more efficiently, more quickly, more safely, and more cleanly.

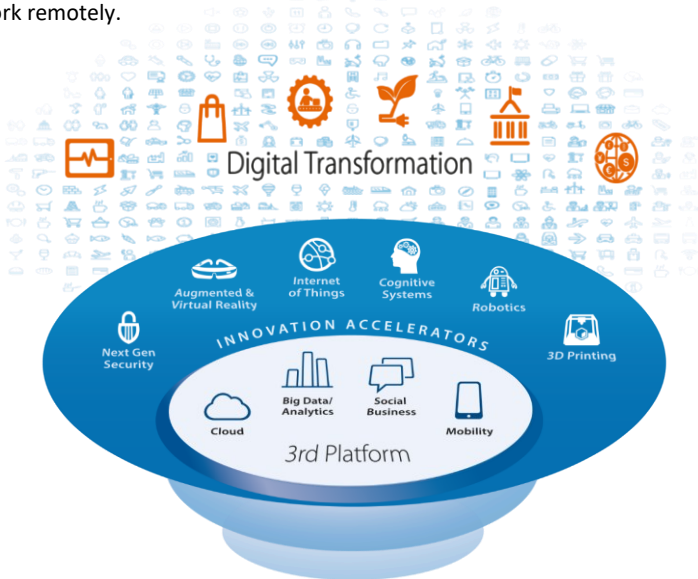
Calsoft's value chain works across the company's industry-aligned business segments, are:

- **Digital Business**, which helps clients apply digital technology to transform their products and customer experiences, driving new levels of revenue growth and customer satisfaction.
- **Digital Operations**, which helps clients infuse their business processes with agility, intelligence, and automation.
- **Digital Systems and Technology**, which enables clients to build the adaptive, cloud-enabled, secure, and efficient technology backbone needed to run a modern digital enterprise.

Artificial intelligence (AI) become core to business transformation, especially smart machine learning algorithms and advanced robotics. AI adoption will strengthen further, with smart, autonomous machines leveraging the new technology to perform tasks traditionally accomplished by humans.

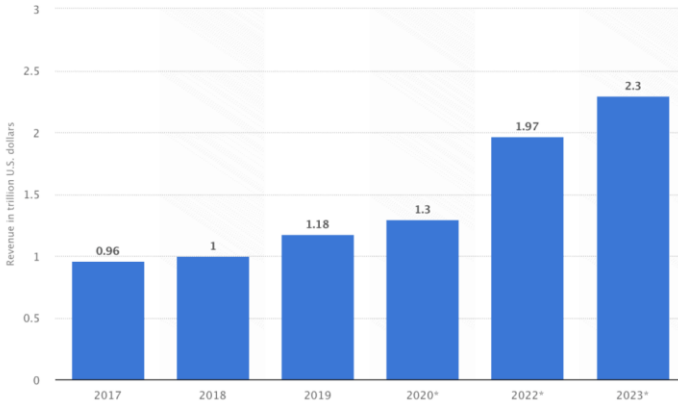
Drones and autonomous cars will continue transforming supply chains and logistics. The growth of augmented analytics, expected to represent the third major wave for data and analytics, will be a crucial determinant in this direction, with over 40% of data science tasks projected to be automated by 2022.

Brands who had previously relied on physical outlets have seen the need to expand online, while a rethink on working practices and organisational structure is driven by the need for staff to work remotely.



## Digital transformation stats: market size

The market for digital transformation services was worth \$1.18 trillion in 2019, and is predicted to reach \$2.3 trillion by 2023.

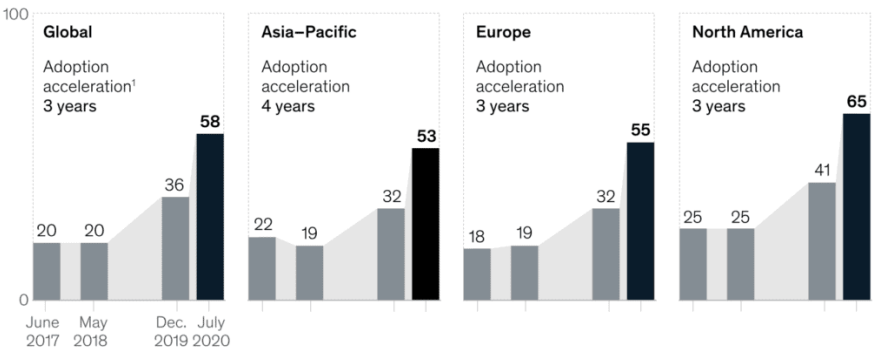


## Rapid growth in digital interactions

McKinsey stats show that digital interactions with customers (sales, customer services etc) have increased rapidly this year, out of necessity. The majority of all customer interactions globally were conducted via digital channels in July 2020, compared to 36% just months before.

Average share of customer interactions that are digital, %

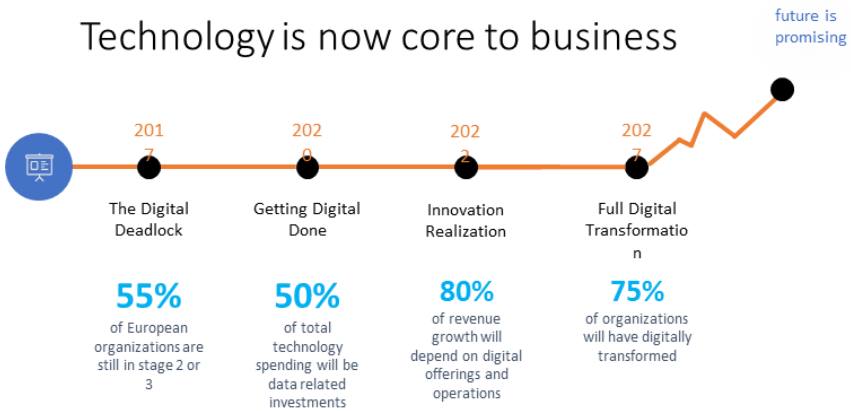
■ Precrisis ■ COVID-19 crisis



For more than a decade, numerous innovative digital practices have revolutionized e-commerce. However as the penetration of technology reaches a new inflection point, the

rate of innovation is set to accelerate even further. E-tailers aim at providing a seamless and enjoyable shopping experience to consumers; and logistics plays a critical role in fulfilling a ‘WOW’ customer journey. To meet the ever-increasing needs of an online shopper, advanced technological practices are being implemented at every point of the supply chain.

Based on the present trends, Calsoft predicts to emerge post covid-19 and how brands and retailers can position themselves to be ready for the future of eCommerce post Covid-19.



Tomorrow’s organizations have already started moving closer to people’s lives, focusing on a human-centered, end-to-end **Digital Transformation**. Ecommerce is a key block within this: Different methods of retail, enabled by digital technology and **lockdown has increased awareness and changed attitudes to business transformation**. Lockdown has brought the need for digital transformation into sharp focus.

B2B, B2C, D2C and C2C ecommerce model of business can be categorized into four major divisions according to the customer segment and the type of their interaction with the suppliers.

- Global Commerce (borderless e-Commerce)
- Mobile commerce
- Cross border commerce
- Direct-to-Consumer Model

## Global e-Commerce

Global ecommerce is the selling products or services across geopolitical borders from a company's country of origin, normally defined as its founding or incorporating location. Products or services are sold into non-native markets via online sales and marketing.



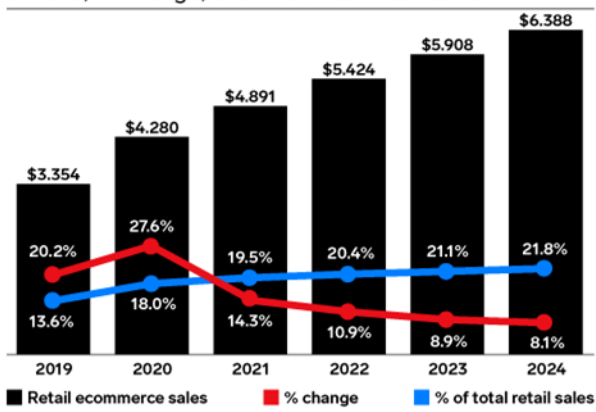
The advantages of international ecommerce are:

- Easier expansion into foreign markets
- Easier-to-find product-market fit
- Shorter B2B sales cycles
- Quicker building of international presence
- Lower barriers to entry

The global ecommerce market is expected to total \$4.89 trillion in 2021. That figure is estimated to grow over the next few years, showing that borderless ecommerce is becoming a profitable option for online retailers.

## Retail Ecommerce Sales Worldwide, 2019-2024

trillions, % change, and % of total retail sales

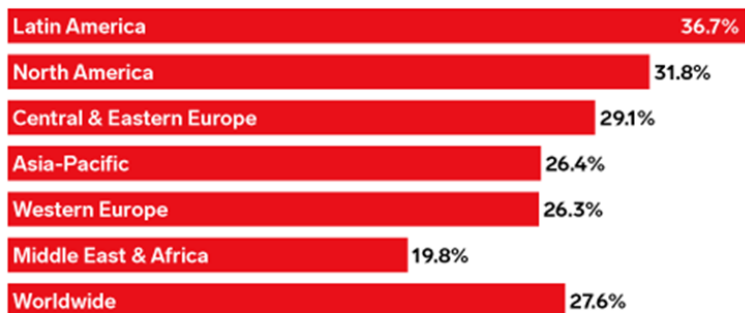


Two years ago, only 13.6% of sales were made from online purchases. Today, that number is expected to reach 19.5% in 2021, a 45.8% increase in ecommerce market share over two years. Growth is expected to continue, reaching 21.8% by 2024, which translates to an 8.2 percentage point increase in just five years.

Global retail sales growth will continue to rise and take up more retail market share. According to eMarketer, online retail sales will reach \$6.39 trillion, with ecommerce taking up 21.8% of total retail sales.

## Retail Ecommerce Sales Growth Worldwide, by Region, 2020

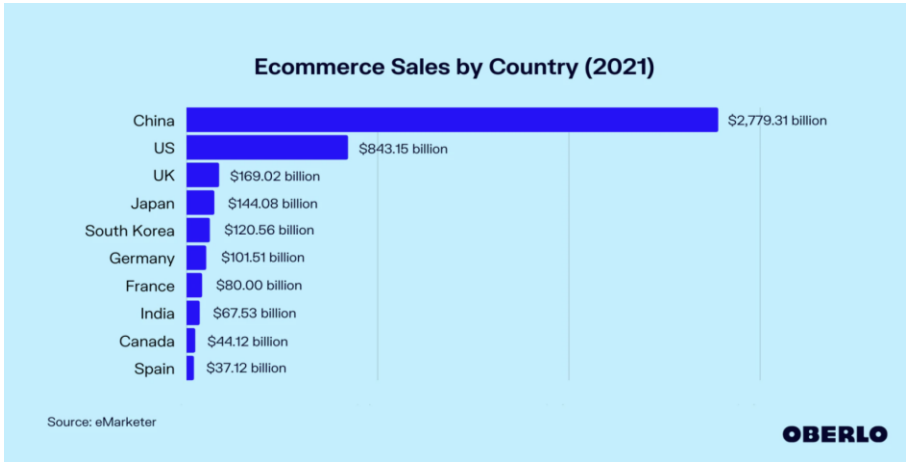
% change



China continues to lead the global ecommerce market, with total online sales just under the \$2.8 trillion mark. It also has the world's most digital buyers, with 792.5 million, representing

33.3% of the global total. China is set to become the first country in history to transact more than half of its retail sales online, with 52.1% of retail happening through ecommerce.

The United States ecommerce market is forecast to reach over \$843 billion in 2021, less than a third of China's. After China and the US, the third-largest ecommerce market is the United Kingdom. The UK's total ecommerce sales are expected to bring in \$169 billion, which is a slight dip from \$180 billion in 2020.



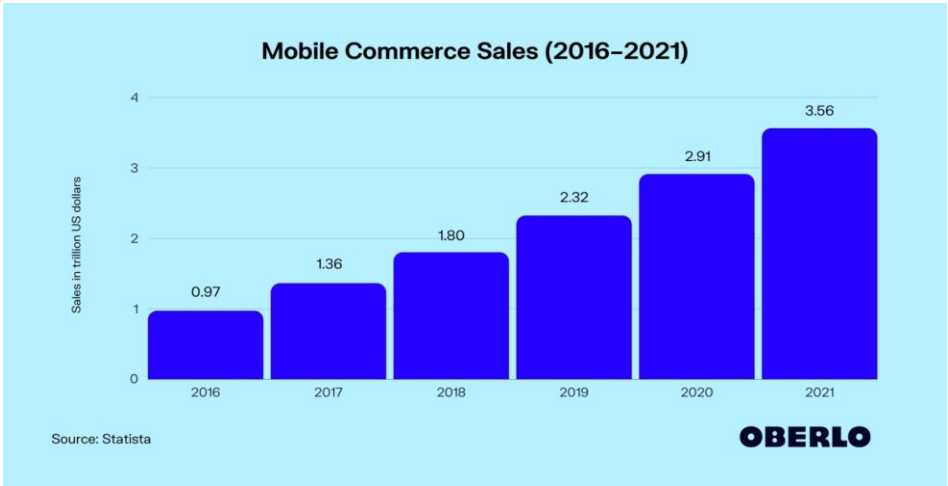
Two other countries round out the top five ecommerce markets: Japan is forecast at \$144.08 billion in 2021, and South Korea is expected to bring in \$120.56 billion.

Three of the top five markets are part of the Asia-Pacific region, accounting for 62.6% of all online sales. This makes it a major market for retailers to focus their efforts on.

M-commerce, or mobile commerce, involves shopping online through a mobile device like a smartphone or tablet. M-commerce will continue to break out over the next few years. Technological advances make it easier for people to shop on their phones.

In fact, 75% consumers say they buy from their smartphones because it saves time.

Insider Intelligence forecasts that m-commerce volume will rise at a 25.5% compound annual growth rate (CAGR) until 2024, hitting \$488 billion in sales, or 44% of all e-commerce transactions.



### Ecommerce moves beyond the Western world

By 2023, retail ecommerce sales in Asia-Pacific are projected to be greater than the rest of the world combined. This is due to: (1) rapid urbanization and technological advancements; (2) more than 85% of new middle-class growth residing in APAC; and (3) a host of government and private-led initiatives in China. On the B2B front, manufacturing in APAC and China has undergone a renaissance. As a result, the B2B disparity is even clearer.





## Online shopping happening outside borders

Online shoppers are increasingly looking outside their country's borders for purchases. In fact, during one evaluation, the majority of overseas purchases from India was the United States.

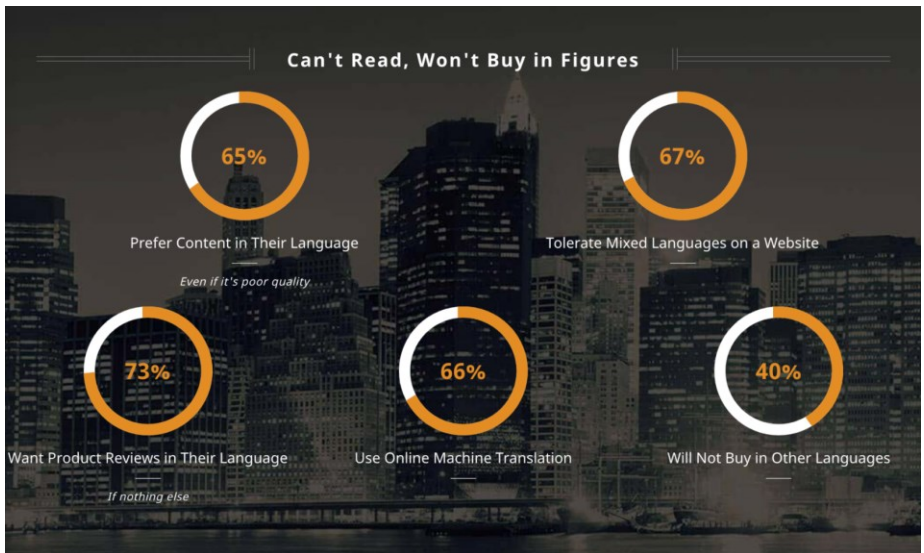
None of that demands multiple storefronts for each location or setting up international warehousing and fulfillment. One of the simplest ways to begin testing new markets is to prioritize online advertising or social media abroad. This requires an international approach to Google Ads, Product Listing Ads, Facebook, and Instagram through geographic targeting.

Promoting social content and advertising online in other countries, even if all you do is track engagement rather than sales, tests viability. But perhaps the best strategy is to experiment with marketplaces in target regions, where 62% of global online sales now take place.

### Localized language matters most

Going native with your site's language—beyond Google Translate—can make or break global sales. It creates a good customer experience from first impression to checkout.

Based on a survey of 8,709 global consumers in 29 countries, CSA Research found that 65% of consumers prefer content in their language, even if it's poor quality. Moreover, 40% will not buy from websites in other languages.



## Payment preferences vary around the world

The coronavirus pandemic sped up consumers' adoption of real-time payment options by 41%. Global mobile payments make up 46% of that figure, equalling a total of \$102.7 billion last year. Real-time payment refers to digital wallet options where they can make payments quickly, such as Apple Pay, Google Pay, Shop Pay, and PayPal.

However, every region has its own preferred methods.

## Ethics and expansion "paths" are universal

The best source for getting global ethics right is the Federal Trade Commission's Electronic Commerce: Selling Internationally—A Guide for Businesses, which 28 countries have signed. The guide provides a host of questions every business should face head-on:



That list of countries is helpful, but the *characteristics* of each "path" should be weighed carefully.

### Top-tier markets:

- Large and developed ecommerce presence
- Smaller markets with strong physical infrastructures
- Ripe product markets within smaller overall markets

### Second wave:

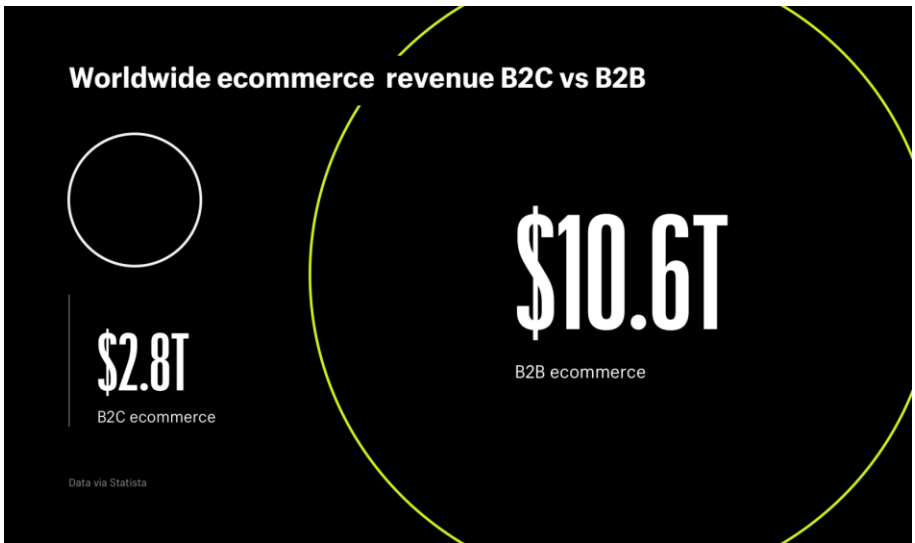
- Early-stage ecommerce development
- Complex domestic regulations
- Digitally advanced countries but small market sizes

**Wait and see:**

- Uncertain political climates
- Emerging ecommerce markets with long-term potential
- Challenging infrastructures

**B2B's ecommerce will dominate B2C**

Statista's B2B ecommerce report summarizes the situation with a punch: "Even though B2C eCommerce has witnessed widespread adoption, it is the recent evolution and growth of B2B eCommerce that is attracting the attention of buyers, sellers and investors all over the world." Comparing each market's total annual value represents a nearly four-fold difference (278.6%).



B2B marketplaces (e.g., Amazon Business, eWorldTrade, Joor, Alibaba, etc.) operate much like their B2C counterparts. They provide ready-made connections between buyers and sellers.

The B2C preference for self-service has infiltrated B2B and alleviated the offline barrier of hiring a large sales force. Gartner found that B2B "customers now wait until they are 57% through the purchase process before contacting a rep." This gives ecommerce a distinct advantage as self-guided online sales are already the norm.

Lastly, many wholesale ecommerce customers prefer simple ordering experiences. This is particularly true for independent e-retailers, small-to-medium franchises, and B2C outlets. Such buyers still often rely on paper orders and invoices.

### **D2C-First: Why More Brands are Using the Direct-to-Consumer Model**

It's the process of selling directly to the end consumer, cutting marketplaces, retailers, and wholesalers out of the customer sales journey.

Data compiled in The Direct-to-Consumer Guide shows ecommerce is expected to account for 6.6% of all consumer packaged good (CPG) sales. The DTC movement accounts for 40% of the sales growth in the sector.

Two out of every five Americans have made a purchase directly from a brand or manufacturer, bypassing marketplaces like Amazon and Walmart. The result? By 2022, the number of DTC ecommerce customers will hit an all-time high of 103 million.

More than half of consumer brand manufacturers are shifting their traditional retail strategies to offer products directly to a consumer. They're cutting out the wholesales and retail store middlemen, instead selling directly to the end customer. Here's how you can do the same.

DTC retailers leave less risk exposed in their supply chain. That's more important than ever, with COVID-19 wreaking havoc on global supply chains. Take the Molson Coors Beverage Company, for example. The pandemic disrupted the company's traditional distribution channels. It went DTC via its online store and grew sales by 188% month over month.

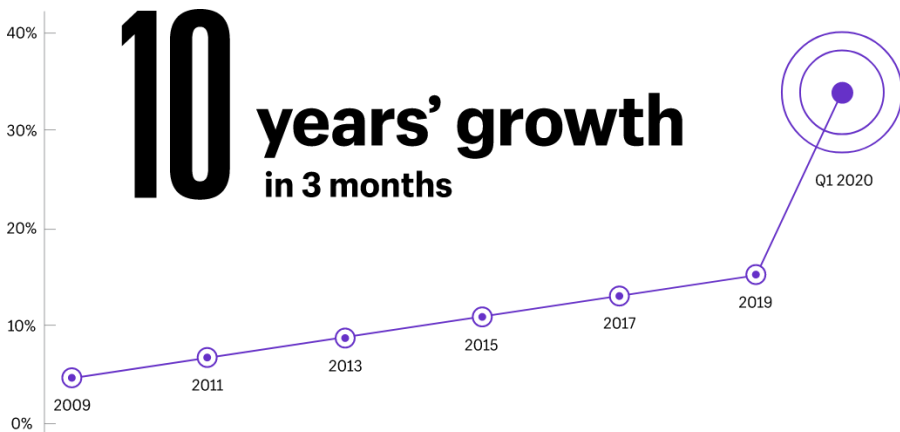
Retail stores are in complete control over where they place your products in their store, too. What might sound like a small difference can have huge impacts on revenue. In one study, the same product saw a 25% dip in sales when continually placed on shelf two. The same item on shelves at eye-level height—three and five—sold better.

## Profit margins

Direct-to-consumer companies don't have to make cuts to their profit margins. There's no retailer, wholesaler, or marketplace claiming their fair share of a product's retail price.

Worldwide lockdowns meant traditional brick-and-mortar stores had to shut down for months. Because of this, 84% of consumers shopped online since the start of the pandemic. For almost 150 million of them, it was the first time they'd ever shopped virtually.

The result? 10 years of ecommerce growth happened in just 90 days at the height of the pandemic.



During the pandemic, direct-to-consumer brands with thriving ecommerce experiences were able to very quickly and easily pivot their marketing and messaging, their energy. They didn't have to fundamentally rethink their business model. They could focus on very different things because they were at a significant advantage.

## Funding and investors

Before the coronavirus pandemic, more than 9,300 retail locations closed in 2019. The so-called retail apocalypse triggered more CPG companies into investing in their DTC efforts.

That investment doesn't just come from the brands themselves. Venture capital firms are ploughing cash into DTC brands more quickly than ever. Between 2015 and 2019, almost 60% of all money invested (\$3.3 billion) was put into direct-to-consumer brands.

Amongst the most notable was Glossier, which received a \$100M Series D investment in 2019, bringing its total funding amount north of \$186 million.

The sudden growth of DTC companies has worried big-box retailers, causing them to claim major stakes in digitally native brands. Target bought a stake in DTC mattress retailer Casper for \$80 million.

Walmart acquired Bonobos for \$310 million in 2017. Unilever also acquired legendary DTC brand Dollar Shave Club for \$1 billion the year before.

Investors see the value in cutting the middleman out of traditional retail channels. They don't have to compete on price when dealing with wholesalers and big-box stores. The higher profit margins up for grabs when selling directly to consumers is appealing.

### **Prioritize customer experiences**

Digitally native brands that sell directly to consumers understand customer experiences. After all, they're competing with brands using marketplaces like Amazon or eBay, which have the luxury of free (sometimes same day) delivery.

The truth is: only 38% of the largest companies are capable of competing on customer experience. Marketplaces and big-box retailers aren't set-up to cope with delivering fantastic experiences for customers. That's where DTC brands swoop in.

### **Virtual shopping experiences**

Personable shopping experiences haven't shut down since COVID forced retailers online. Direct-to-consumer brands like Rebecca Minkoff are using 3D modelling and augmented reality (AR) to deliver real-life shopping experiences online.

Since implementing this new technology, the DTC brand found that visitors who interacted with a 3D model were 44% more likely to add an item to their online shopping cart. Plus, when visitors viewed a product in AR, they were 65% more likely to make a purchase—proving the need for personalized shopping experiences.

### **Multi-channel retail**

Long gone are the days of customers going to a big-box retailer armed with a shopping list of things to buy. These days, consumers are ready to make purchases outside of traditional shopping destinations.

Multi-channel retailing targets those people where they are. It reaches 48% of internet users who've made a purchase through social media. Platforms like Instagram Shops and TikTok, and niche streaming sites like Twitch are essential to DTC success.

### **Build brand loyalty**

Research shows that 65% of a company's business comes from existing customers. Almost 60% of the typical DTC company's revenue comes from customers who've bought previously.

For DTC companies, brand loyalty is everything. Instead of acquiring new customers, doubling down on retention means profitable, long-term customer relationships. You'll get loyal customers returning to you repeatedly—instead of back to marketplaces like Amazon once they've made their first sale.

## Create a community

Online communities are niche groups of people with a shared interest. It's not just subreddits powering the bulk of online communities, though. DTC brands are building their own communities to increase brand loyalty.

## Loyalty programs

Direct-to-consumer brands manage to rack-up an incredible retention rate of 25.9%. Part of that boils down to loyalty programs or rewards program. All members get free shipping and earn points to redeem on future purchases. Members sign up to different tiers: gold members earn double the amount of points as those in the silver tier. It's a system that incentivises customers to spend more—and more often.

## Support good causes

Consumers increasingly want companies to act as good people; those who ethically source their goods, treat workers well, and have green manufacturing practices.

One success story in the DTC space is Bombas. Granted, its comfortable socks were the foundation of its business.

Bombas grew from \$300,000 in revenue in 2013 to \$17.2 million in its first full year after replatforming. To date, it's donated 46 million pairs of socks to people in need. This is a strong pull: 67% of the brand's customers buy from the DTC brand because of its charitable mission.

## Subscriptions

One in five US consumers purchased a subscription box to have products on-hand during the first few months of the pandemic. The trend maps over to direct-to-consumer businesses—it's estimated that three-quarters of DTC brands will offer subscription services by 2023.

The popularity of subscriptions boils down to convenience. Consumers use subscriptions to "set it and forget it." They're automatically billed and shipped the items they buy frequently without making mental reminders to shop.

Capitalize on this growth by offering subscription models alongside the standalone products you're selling directly to customers. Options include:

**Replenish.** Allows customers to set-up repeat orders for frequently bought items, similar to Amazon's Subscribe and Save. DTC brands like Dollar Shave Club, Pact Coffee, and The Honest Company use this model.

1. **Access.** Charge a monthly or annual fee in return for accessing specific products or services. StitchFix and Rent the Runway use this subscription model.
2. **Curation.** Curate your top-selling products into one bundle and charge customers a monthly fee to get them delivered. HelloFresh and Barkbox are two DTC companies succeeding with this subscription model.

## Ecommerce Data Analysis for Optimizing Your Online Funnel

Given the multi-channel nature of ecommerce, a new customer may have searched for your brand on Google right before making a purchase. That sort of one-two funnel is easy enough to track.

In this post, we'll walk step by step through each stage of your funnel — from awareness to loyalty — examining how ecommerce data analysis can improve your marketing and drive more sales.

## Awareness Analysis for a Better Brand

While brand awareness often sounds elusive, intangible, or for major corporations only ... it's not.

In fact, brand awareness can yield tangible results for businesses of all sizes. Just take a moment to think about a local mom-and-pop shop or restaurant in your town. Where's the first place you turn locally for something like a slice of pizza?

## Omnichannel e-Commerce

Retailers with traditional brick-and-mortar stores need to leverage the power provided by the online world by integrating **physical** and **digital** spheres into an **omnichannel retail** format, including inventory, product information, price matching, flexible delivery options (click-and-collect, ship from stores etc.) and omnichannel customer interactions, which provides shoppers with a seamless and consistent omnichannel experience.

Effective omnichannel retail requires creating **seamless shopping experiences** for your customers, whether in a brick-and-mortar store, shopping on a PC, Loyalty programs, personalized emails, discounts, buying through a smartphone app, or through other channels. Create selling channels as multiple roads that lead to the same destination.



## Difference between Omnichannel and Multichannel



In multi-channel approach, the brand or the company's product takes center stage and, the various means of sales and marketing (online store, physical storefront, e-commerce sites, and social network sites) provide shopping options to the customers.

In omnichannel approach, the customer takes center stage while all the above-stated multi-channels overlap to give the customer a best possible shopping experience upholding the brand value.

A multi-channel business focuses on making the product or service available to the customers in as many ways as possible and letting him choose to shop through any of them.

An omnichannel business focuses on creating an uninterrupted experience for the customer through multi-channels; irrespective of the medium he chooses to shop.

## OMNICHANNEL VS MULTICHANNEL



Single View Of the Customer Across All Channels.

An Omnichannel Approach Is To Put Customers At The Center Of Your Strategy.

Timely, Relevant and Consistent Customer Experiences Across All Channels.

Digital Marketers Are Using Omni Channel Marketing Strategies & To Engage Effectively To Their Adiences.



Multiple Views for Different Digital Channels.

Multichannel Approach Is Interacting With Customers Using A Combination Of Indirect And Direct Communication Channels.

You Must Be Where Your Customers Are. And They Are Everywhere, Which Is Time Taking.

Most Of The Companies Are Dropping Online Multi Channel Marketing Strategies & Platforms.

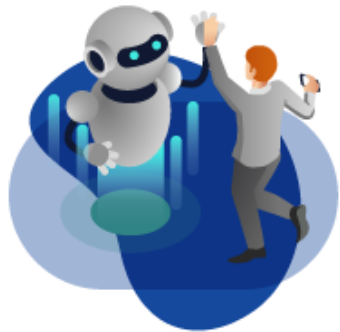
## Artificial Intelligence & Machine Learning

Artificial intelligence (AI) and machine learning consistently top omnichannel retailing trends lists, and for good reason: There are numerous applications for AI and machine learning in omnichannel retailing, from building propensity models to optimizing order fulfillment to refining customer segmentation.

Some brands have even found creative ways to leverage AI and machine learning to enhance the customer experience. For example, Domino's Australia developed the DOM Pizza Checker, a state-of-the-art system that uses advanced machine learning, AI, and sensor technology to analyze and verify topping distribution to ensure pizza quality and consistency. Although it might sound like more of a novelty than anything else, the DOM Pizza Checker was an overnight success: By July 2019 — just one month after its debut — it had boosted product quality scores by 15%.

**15%**

The increase in product quality scores, expressed as a percentage, that Domino's Australia saw as a result of implementing AI and machine learning technology.



Another clever example of an AI-driven omnichannel retail strategy is popular skincare company Olay's Skin Advisor. Shoppers simply snap a selfie and answer a few basic questions about their skincare preferences and concerns, then Olay's AI technology evaluates their "skin age" based on a number of factors, including fine lines and dark spots, and uses it to generate a custom skincare regimen. Once the consumer has their regimen, they can shop products through the Olay website and have them delivered straight to their door. According to Olay, the company scanned over 50,000 faces when developing Skin Advisor tool, meaning everything is supported by data, and has had over 1 million users since unveiling the technology.

**50,000**

The number of faces Olay scanned when developing its Skin Advisor tool.



**1M**

The number of consumers who have scanned their faces using Olay Skin Advisor.

## Augmented Reality

Customers might be hesitant to order certain products online. A couch, for example, might be available at a great deal but not knowing how it will look in a certain environment might deter someone from adding it to their cart.

A modern-day spin on “try before you buy,” augmented reality (AR) is an easy and interactive way for customers to visualize products in a real-world, at-scale setting. Shoppers simply select a product to be superimposed into their environment and can then decide if they’d like it in a different size, shape, color, or other option. For example, popular Swedish furniture retailer IKEA enables consumers to virtually “place” true-to-scale 3D models of sofas, coffee tables, bookcases, and more in their home using the IKEA Place app. Recent updates to the app have even made it possible for shoppers to visually search for products by simply pointing their camera at an object and automatically pulling similar items. AR brings inventory directly to the customer and can help boost customer confidence, reduce shopping cart abandonment, and limit returns.

## Social Integration

There’s no doubt about it: Consumers are visually oriented. To that end, social media has become an effective way to engage with consumers because it enables brands to permeate their feeds with aesthetic images that appeal to their visual senses.

Instagram has long been a popular advertising platform for retailers but the social networking service really shook things up when it introduced the Instagram Shopping functionality. An “immersive storefront,” Instagram Shopping enables consumers to shop all of their favorite brands while scrolling without ever having to exit the app. Instagram Shopping even offers a streamlined mobile checkout system, incentivizing customers to make more impulsive purchases. Instagram recently extended this functionality to an even broader audience of creators, turning the platform into its own veritable all-in-one marketing and sales hub.

As a trend, social integration is an excellent example of the evolution of omnichannel retailing — in order to capture and keep the attention of younger generations, many of whom are digital natives, retailers need to reach them through their favorite platforms.

## The Four-Pillar Approach to Omnichannel Commerce

### 1. Sales channels

Channels can include (but are not limited to):

- Online storefronts/DTC
- Ecommerce marketplaces
- Social media platforms
- Mobile channels
- Brick-and-mortar stores — or anywhere you use a POS
- B2B/Wholesale sales

### 2. Marketing and advertising

Here are some of the most recommended digital marketing and advertising channels for retailers going forward:

- Google Shopping Ads
- Marketplace advertising
- Retargeting ads
- Social media
- Email and SMS

### 3. Operations.

Operations encompasses everything in your back-office, from product, order, and inventory management to logistics and fulfillment

### 4. Shipping and fulfillment.

Shipping software offers specially negotiated rates with various carriers, visibility into shipping statuses, reporting, and the ability to send orders to fulfillment providers. 3PLs also include other logistics processes like inventory management, warehousing and fulfillment.

“Most people see logistics and fulfillment as the technical side of ecommerce, but it’s actually another extension of the customer experience,” said Matt Crawford, General Manager of Shipping at BigCommerce.

## PRODUCTS AND PLATFORMS

# e Commerce Platform

dSPEEDUp eCom is **digital commerce platform** for B2B, B2C and C2C ecommerce businesses. dSPEEDUp has flexible framework to keep up with this growing list of emerging capabilities with AI integrations.

- **We build** your Business- a powerful online storefront with powerful features and expert ecommerce support with robust suite of inventory management tools will enable to sell, digital downloads, track sales, and more, all from within site's product management software.
- **We Grow your Business:** Build your brand with a storefront designed to jumpstart growth, from your very first sale onward. With eye-catching product pages, an intuitive order system, comprehensive payment processing and more, dSPEEDUp makes it easy to start selling.
- **We showcase your Products:** Fully merchandise your products with multiple photos, videos and item details that brilliantly showcase everything that's great about what you sell. Create photo galleries and embed product videos to help shoppers make their purchase decisions and cut down on returns.
- **Sell Innovatively:** Many of the most successful businesses **sell actively across multiple channels**, like Amazon, eBay, Facebook, and Google Shopping alongside their online store, which **requires a POS (Point of Sale)** to reach your customers — both current and potential ones — wherever they are, and dSPEEDUp can make it happen.
- **We create Loyal Customers:** dSPEEDUp includes a built-in Reward Points module that allows you to quickly set up a fully customizable loyalty program, which further encourages customers to buy from your store and they become Loyal customers.

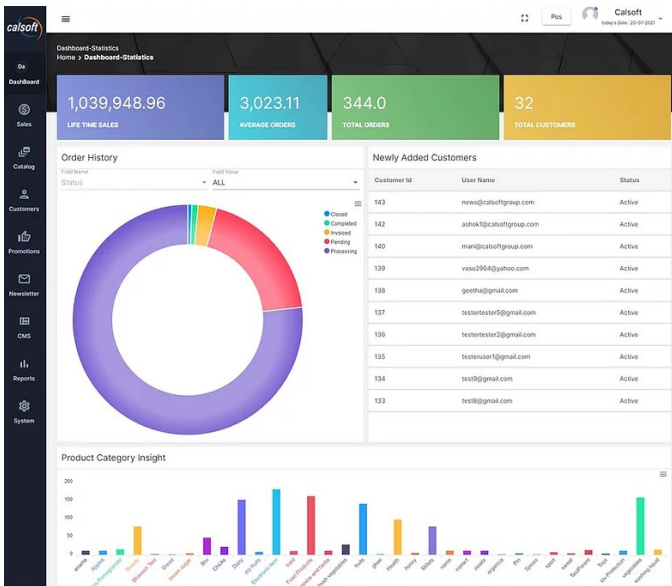
### dSPEEDUp Templates Inspire Your First Ecommerce Automations

Here's a closer look at some of the most popular workflow templates that many of your peers have already installed on their stores

- **Promotion:** Send browser push notification after customer's second order
- **Customer experience:** Create a support ticket after a negative review
- **Loyalty:** Send a win-back email sequence to "at risk" customers
- **Personalization:** Segment customers by purchase behavior
- **Inventory:** Create an alert when product inventory is drops below threshold
- **Orders:** Email logistics team when orders need to be expedited
- **Risk:** Get notified about high-risk orders before capturing payment

## Setup Ecommerce Automation Workflows in Seconds

With a pre-made template, you can get started in ten seconds or less. Investing the short time upfront is worth every minute, hour, and day you'll gain back to focus on growing your business faster. And thousands of online businesses are already reaping the benefits.



## Supply Chain Forecasting Methods: Preventing Storms and Predicting Trends

Supply chain forecasting and weather forecasts have more than one thing in common.

The process of making predictions based on past and present information, they both use hard data, and, at times, intuition, to varying degrees of accuracy

Understanding how to properly forecast your supply chain needs is critical to ensuring your ecommerce store's success. Getting it right can lead to better supplier relationships, increased customer satisfaction, and more capital to grow and scale your business.

Features of dSPEEDUp makes you create and run your online store, interact with customers, and keep all your inventory straightened out, a rich **content marketing system**, the ability to **offer exciting promotions to your customers**, and much more, features includes, but not limited to, **business management, inventory control, search engine optimisation**, many features save money for your business by **eliminating buying additional features** from a third party

AMBIT'S

HEARING IS BELIEVING

Trust Us, Our Customers!

Free Delivery in The US \ Same Day Shipping

PRICE DROP!

Up to 15% Off All Our Products!

Shop Now

2 YEARS WARRANTY ON OUR ENTIRE LENSES SELECTION

New TIPOX Models **IN STOCK NOW!**

Free Delivery in The US \ Same Day Shipping

Digital Cameras

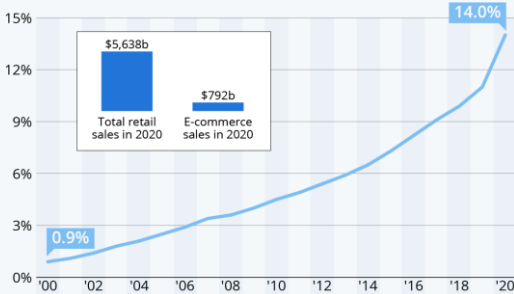
IM & Product \$19.99	IM & Product \$19.99	IM & Product \$19.99	IM & Product \$19.99





## Pandemic Accelerates Shift to Online Retail

E-Commerce sales as a percentage of total retail sales in the United States\*



\* not seasonally adjusted; excluding food services sales  
Source: U.S. Census Bureau



statista



“ I don't create companies for the sake of creating companies, but to get things done.

Elon Musk,  
(CEO & CTO of SpaceX,  
Investor in PayPal)

## dINSPIRA – PoS (POINT OF SALE) Platform

- dINSPIRA is a powerful PoS platform provides an uncompromised sales experience to sell any products, to manage a retail business, market to customers, and sell everywhere in one place.
- dINSPIRA is design to set up any retail shop with personalized onboarding and an intuitive, easy-to-use interface for checkout experience and is fully-integrated with an account and can access all product information and serve customers faster.
- dINSPIRA PoS works on a Windows or Mac workstation, or on tablet or smartphone, and even a combination of devices – all linked to data through the cloud. Whether one location, multiple locations or are on the go – flexible devices plus unlimited users.

### Hardware components of dINSPIRA PoS system

- Monitor/tablet
- Barcode scanner
- Credit card reader
- Receipt printer
- Cash drawer
- Digital weighing machine



## Types of dINSPIRA PoS Systems

Based on what products you will be selling in your outlet, some specific features and customization can help you be more efficient with order processing. While some systems are built to address these specific needs, the basic setup almost always remains the same.

- **Apparel**– Garment sellers will notice that each of their products might need a composite (parent) SKU that represents the brand. They also need multiple child SKUs that identify each individual product within the parent SKU. You need to upload products as such into the digital catalog.
- **Electronic goods**- These goods need serial numbers to identify not just the model and make, but also the specific item within the store. Serial numbers are uploaded into the POS software and identified when the item is scanned.
- **Packaged products and groceries**- These categories need both a Unit-Of-Measure (UOM) and an expiry date. You use expiry dates to identify goods that are fast approaching their use-by date and to sell them at a discount. UOM helps you define which product quantity you need to bill at what price.
- **A restaurant**- A POS that has a single screen for managing reservations, processing orders and accepting feedback makes the dining experience better.
- **Jewelry**- A POS software in stores that sell high-value products might raise alerts for wrong/ duplicate billing. It can also send reminders for frequent stock audits.

## Multi-store management with dINSPIRA

Grow your business from one to hundreds of stores

- Compare performance of your stores
- Manage items, employees and customers across multiple locations with a single account
- For retailers selling across multiple locations, maintaining consistency of their product catalog can be a challenge. However, POS software maintains a digital catalog of data that is accessible across locations. In other words, you don't have to worry about setting the same product prices across stores, even during sale periods. Instead, the POS will do it for you.



### Centralized inventory for stores and online

Use our dINSPIRA inventory management software to sync inventory at retail store with dSPEEDUp online channels of sale.

### Inventory Management

#### Import items

Quickly add thousands of items using the CSV-spreadsheets.

Track inventory

Track the stock of products and their components.

#### Low stock notifications

Receive daily notifications about low stock to make the necessary item orders in time.

#### Purchase orders

Plan purchases, export records to suppliers, track stock receipts and manage vendor relationships.

#### Transfer orders

Easily create transfer orders and move stock between your stores.

Stock adjustments

Increase and decrease stock levels for received items, damages and loss.

#### Inventory counts

Perform full or partial stocktakes with a barcode scanner or manually.

### **Production**

Track stock of items produced out of ingredients.

### **Label printing**

Print barcode labels to effortlessly add items to sales, purchase orders or inventory counts.

### **Inventory history**

Inventory valuation report



## **Sales Analytics**

### **Sales trend**

Track the sales growth or decline compared with the previous day, week, month and promptly react to changes.

### **Popular items**

Sales by item analytics allows the best-selling items to be determined and therefore the right purchasing decisions can be made.

### **Shifts**

Identify the cash lack at the end of the shift and track employees inaccuracy or manipulations.

### **Receipts history**

Receipts history review allows you to monitor each transaction: sales, refunds, discounts.

### **Tax report**

Browse reports on the tax amount needed to be paid and save time for their calculation.

### **Reports export**

Receipts make processing refunds easier, since there's a digital or paper trail connected to the purchased item. They can also make your business look more polished.

Access your reports from a smartphone, tablet or computer anytime, anywhere

- View revenue, average sale and profit
- Track sales trends and react to changes promptly
- Determine best-selling items and categories
- View complete sales history
- Export sales data to the spreadsheets

### **Simplified taxation**

Easily handle taxes for different categories of products pertaining to the corresponding country or city. Set taxes either while listing the product/SKU, or while generating the invoice.

### **Track returns**

Easy recording and tracking of returned goods from your customers. Generate the updated invoice indicating the returned product and get updated inventory instantly. Process refunds for payments made on the order.

## Integrations

Connect third-party apps to dINSPIRS PoS to keep your business running smoothly

- Sync with accounting, ecommerce, inventory management, marketing and other apps
- Use dINSPIRS PoS API to develop custom integrations



## Features of DINSPIRA



### Centralized product catalogue

Maintain a single, centralized catalogue for SKUs across all your channels. Also, have great clarity of the available inventory at each channel. You also have the flexibility of a different pricing per store.



### Customers

Store your customer's contact information in our cloud-based POS software and use it for targeted promotions for your retail business later.



### Barcoding

Generate barcodes using our retail POS software and easily add products to sales or purchase orders by scanning them. Print barcodes based on your requirements from the list of barcode templates we provide.



### User permission

Set permissions for your employees and easily assign sales to different sales reps. Define the degrees of permission you want for every store and register for better control of your team and processes.



### Multi currency

Make transactions in any currency from your retail store. Accept payments in any currency from your online sales channels across the world.





### **Simplified and reliable billing**

Your store billing and invoicing can be managed across registers from a unified software that keeps track of sales representatives at each cash counter.



### **Make checkout a breeze with our POS**

Retail chains can go for our offline (dINSPIRA) or cloud POS (dINSPIRA C) and create a great experience for the cashier and customer. The POS checkout process is quick but with many advanced options to meet all store requirements.



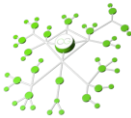
### **Launch your own Site.com**

As a retailer it becomes important to attract new customers via the ecommerce route. dINSPIRA enables you to create your own site in a matter of days and start selling with almost zero technical skills.



### **Reward Customer Loyalty**

Customer loyalty rewards help retain shoppers. To support this, dINSPIRA has inbuilt options for points, discounts, shopping vouchers and coupons. Additionally, it can be integrated with the widely used CRMs.

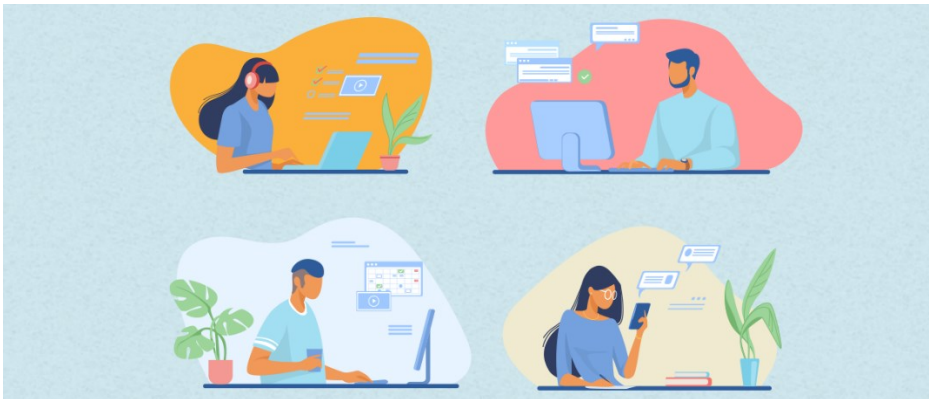


### **Easily Publish Updates to Your Large Network**

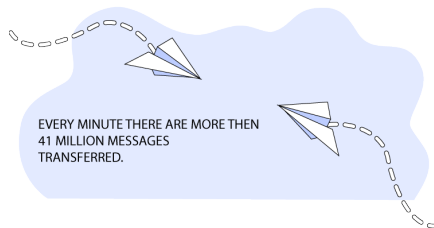
Through our Retail management app, you can directly update all promotions, reports, security and admin policies in a quick way without having to connect individually to every store.

## dBOT - A Conversational Platform

- dBOT is powered by pre-programmed responses or artificial intelligence to answer questions without the need of a human operator.
- dBOT provide development tools such as frameworks and API toolsets for customizable bot creation.
- dBOT is a different type of chat application. It is built with entirely marketing purposes. dBOT uses highly secure end-to-end encryption standards to store and transfer messages between its users. As a result, using dBOT is relatively easy, and it also offers a clear voice calling facility.

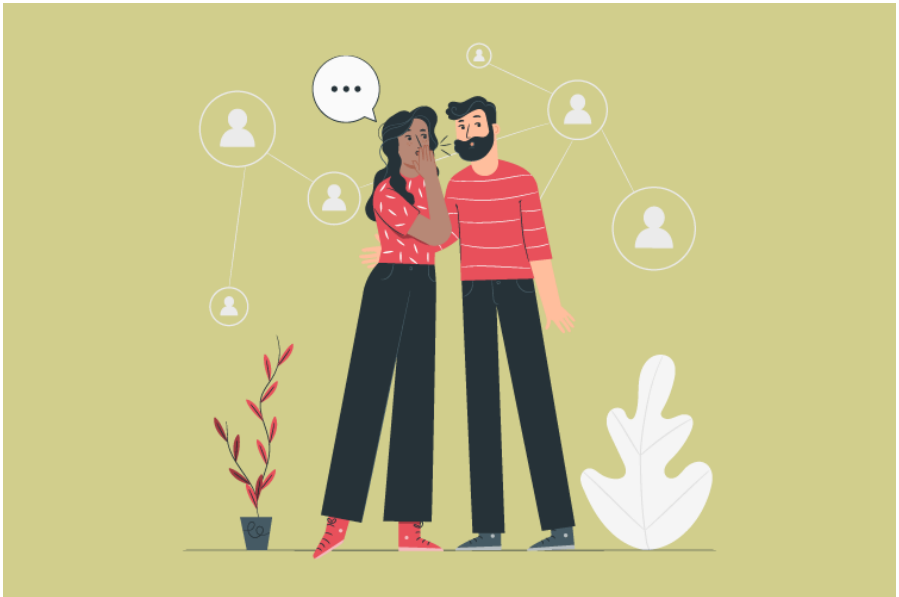


CHAT is a new way of communication that enables the parties involved to communicate on a real-time basis or live. An estimate states that almost 41 million messages are transferred every minute on the internet.



## FEATURES OF dBOT

- **Emotional intelligence:** In any conversational context, it is critical that each speaker responds to the other in an emotionally intelligent manner, paying careful attention to the emotional state of the other. This is no less true with a dBOT. dBOT respond to the user in a way that is commensurate with their emotional state.
- **Conversational ability:** dBOT able to chat in a way that is natural and fluent, understanding the intent of what was said and responding appropriately.
- **Broad knowledge base:** dBOT can be integrated with a host of business systems or knowledge bases, giving them the ability to answer questions correctly and contextually
- **Personal:** dBOT connect to the user in a way that is bespoke and tailored to the individual. They take in personal information in a safe and secure manner and output a response which befits the question as well as the questioner.
- **Personality:** dBOT might work in some cases, but adding a bit of zest and personality can help unlock the full potential of these conversational agents.



## Integrations

Connect dBOT to all the platforms and software solutions that help your business grow faster



Slack - Reply to customer conversations directly from Slack.



Viber - Give your customers the option to reach out directly from their phone.



Prestashop - Increase e-commerce sales on your Prestashop website.



Mail - Receive & reply to email messages directly from Paldesk.



Wordpress - Chat in real time with visitors to your WordPress website.



Joomla - Chat in real time with visitors to your Joomla website.



Squarespace - Increase e-commerce sales on your Squarespace website with live chat.



Drupal - Chat in real time with visitors on Drupal website.



Zapier - Connect Paldesk to over 1000+ apps with Zapier.



Hubspot - Automatically push leads from HubSpot into Paldesk.



Messenger - Receive Facebook messages & reply directly from Paldesk.



Telegram - Be always up to date with new communication over Telegram.



Skype - Switch all communication via Skype.



WhatsApp - Give your customers the option to reach your team directly from their phones.

## dULTIMA Omnichannel platform

- dULTIMA Omnichannel platform involves a multichannel approach to the market while focusing on providing a unified and seamless customer experience.
- dULTIMA omnichannel strategy is empowered by centralized data management, which means that the distinctions among channels, both physical and online ones, are blurred. As a result, customers can simultaneously use different channels in their shopping process, starting their search at a channel and finish the purchase in another one. They are given chances to create their own preferable shopping routines, which seems to be more attractive to a new generation of consumers in the 21st century.
- dULTIMA's omnichannel platform is a sophisticated retail software and empowers the retailers to engage their customers with the consistent quality service across various channels of markets; online marketplaces, physical stores or a company website. It routes the orders made online directly to the nearest store for fulfillment. Thus, reducing the order processing time and logistics expenses.



Moreover, through omnichannel marketing brands can follow a customer-centric nature harnessing greater benefits and enhanced loyalty. Furthermore, the potential growth of the eCommerce industry is visible through the study stating that in 2018, 39.6% of the estimated \$1.357 trillion global eCommerce revenue was generated through smartphones.

Hence, there is a need for businesses to start considering building their omnichannel strategy to leverage multi-channel marketing tactics.

### Integration with Current ERPs

There would not be any roadblock working with Uniware. All your current ERPs ( Tally, Base, Oracle, Navision, SAP etc.) get effortlessly integrated into our omni-channel software product.

Retail supply chain information such as inventory status and order details are automatically updated in the ERPs.

Simultaneously, the orders from multi-channels of retailing reflect in the ERPs to bridge the information communication from e-commerce points to the organisation's internal MIS.

You can route inventory from an ERP to 40+ marketplaces enlisted in the dULTIMA's omni-channel retail solution.

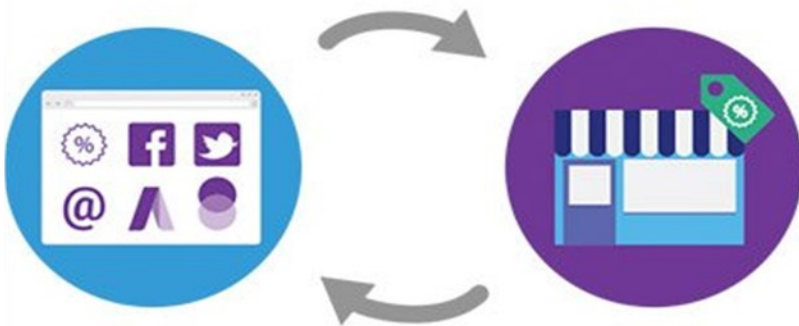
### Online/Offline Store Integration

dULTIMA Omni channel platform provides a seamless integration of offline and online stores including websites and marketplaces to enable perfect O2O commerce.

Processing of online, website or offline store orders can be easily managed across multiple store location providing uniform customer experience which is the key to success in Omni channel retailing.

#### Perks you will be fond of:

- Pre-integrated 40+ Marketplaces
- Process orders in bulk for quick dispatch
- Manage online, website , offline store orders from a single panel



### Perks you will be fond of:

- Real-time business information updations in all the systems
- Easy tracking of inventory and orders from cross-channel
- Centralised Omni commerce platforms ensure smooth functioning of business operations



### Centralised Inventory Management

The dULTIMA omni-channel software updates the inventory in real time across multiple locations and automatically syncs the stock status with 40+ marketplaces.

The solution brings the offline inventory into centralised inventory pool and lets you set priorities and benchmarks seamlessly. All the retail points receive accurate stock information. These automated inventory updates help you plan the stock and abstain from overselling.

### Perks you will be fond of:

- Accuracy and visibility of inventory
- Automatic stock replenishment
- Efficient inventory turnover
- Higher sales volume due to optimum inventory planning



- Reduction in working capital
- Insightful strategies for inventory management

### **Integrated Omni-channel Order Management**

Since the customer has many options from where he would place an order for your products, it is crucial to have an assimilated and robust cross-channel order management system in place.

dULTIMA's retail solution integrates orders from e-commerce sites, company site and the physical stores and processes it in bulk to keep the logistics costs low.

The orders from various POS can be allocated to the nearest store for processing and shipment. The process allows you the flexibility and ease of routing the orders based on geographical criteria such as state location, city location, pin code etc.

Our software hosts pre-integrated marketplaces and shopping carts, like Amazon, eBay, Snapdeal, Flipkart, Shopify, Magento etc. Along with your brick-and-mortar stores, you can integrate orders from 40+ marketplaces and generate invoices, labels and manifests in a jiffy.

#### **Perks you will be fond of:**

- Quick and easy prints of labels, invoices and manifests
- Integration of orders across 1000+ Stores
- Reduced logistics cost
- Assured customer satisfaction
- Reduced order processing time
- Flexibility to control the order allocation
- Single window monitoring of orders and inventory across multi-channels

## Simplifying Logistics

The best part of dULTIMA's omni-channel e-commerce solution is smooth and easy shipping of orders. We have integrated 30+ shipping partners and in-house logistics to enable the organisations to expand their reach and deliver anywhere in the world.












Based on the region, price, and weight of the order fulfilment, you can assign an apt logistic partner for shipment of the order. If self-shipping the order is the suitable option, you can choose to self-ship the order and track it too.

The customers too can choose how they want their orders to be delivered. They can either pick from the physical store nearby or may prefer to receive at their doorstep.

### Perks you will be fond of:

- Reduced order fulfilment time
- Higher customer satisfaction
- Expansion of your reach by crossing geographical hurdle in delivering orders



	<p><b>Real-time synchronization</b></p> <p>Sync sales, inventory, customer details, and payments from dSPEEDUp, your sales channels, and other POS systems.</p>
	<p><b>Endless Aisle: advanced fulfilment</b></p> <p>Take orders for items that aren't currently in stock and need to be fulfilled from external warehouses to the local store, as well as mark items to be back ordered.</p>
	<p><b>Flexible discount options</b></p> <p>Apply either a line discount to a single product, a discount across all products in the basket, or a custom price list to a specific customer.</p>
	<p><b>Easily process refunds</b></p> <p>Choose to refund from a completed order or create a quick refund by adding a product into a new basket, and mark it as a product to be refunded.</p>
	<p><b>Offline functionality</b></p> <p>When your store connection goes down or you're at a retail show without internet access, products, inventory, and sales are stored locally and synced when back online.</p>
	<p><b>Integrations with payment partners</b></p> <p>Integrate with PayPal, USAePAY, and more, and connect wirelessly or via Bluetooth to receipt printers, barcode scanners, and cash drawers.</p>
	<p><b>Advanced product search filters</b></p> <p>Search products or whole product categories and run offers based on a number of fields, such as product description, SKU, or barcode. Either enter the keywords or scan an item to find the product.</p>
	<p><b>Integrated gift card sales</b></p> <p>Customers can buy and redeem gift cards for any in-store and online purchases. Reconcile the total amount of gift cards sold and redeemed over a period of time, for detailed insight on how customers interact with gift cards.</p>
	<p><b>Create and manage loyalty programs</b></p> <p>Encourage customers to come back by rewarding them with incentives and offers for their repeat purchases. Enroll customers in loyalty programs where they can earn and redeem loyalty points to pay for purchases.</p>
	<p><b>Flexible transaction options</b></p> <p>Choose to add an existing customer or create a new customer against a sale. Email a receipt to one or more recipients without having to add them as customers. Undo a cash payment when it was mistakenly processed.</p>
	<p><b>Pause transactions</b></p> <p>Place an order on hold so it can be easily retrieved later, allowing you to serve multiple customers simultaneously.</p>

## Hassle-free Return Management

Making an order return and managing the order returns, is a critical thing for both customers and the organisations. It defines the customer's experience of shopping with you and mirrors your commitment and efficiency in the way you handle the returns.

When you are an omnichannel retailer, managing the returns can pose a bottleneck in your supply chain.

dULTIMA's omnichannel strategy for returns management helps unify online and physical stores and deal with order returns effectively.

### Perks you will be fond of:

- Unabridged integration of marketplaces and stores help carry out the receiving of returns easy
- Positive brand image in the market
- Swift inventory update across multiple locations

## Dynamic Order Allocation

Robust dynamic allocation for online orders to ensure that the online orders get routed to nearest offline store to minimize logistic cost. The order routing is flexible, and can be done based on the pincode, city location, state location etc.



## OVERVIEW

Last year, more than 1,875 fashion retailers shut down. This year, projections reported by WWD place the number at just under 10,000, “up 53 percent from the number of doors that went dark amidst the Great Recession in 2008.” Digital innovation, rising globalization, and changes in consumer spending habits have catapulted the fashion industry into the midst of seismic shifts. To explore where we are and where we’re heading, this article takes a detailed look at ... The statistics, trends, and strategies shaping the ecommerce fashion industry in 2018 and beyond: Industry-Wide Data, Clothing and Apparel, Shoes Segment, Accessories and Bags, Jewelry and Luxury, Personalization, Anywhere Ecommerce, Flashes and Drops, Going Global, Technological Innovations



THE BIGGEST ADVANTAGE IS OUR ABILITY TO TELL A MUCH MORE CONSTANT NARRATIVE. SOCIAL MEDIA HAS CHANGED SHOPPING PATTERNS, AND WE’RE AT THE BEGINNING NOW OF HOW SOCIAL IS GOING TO BE INTEGRATED MORE WITH ECOMMERCE, HAVING A CONSTANT NARRATIVE.

URI MINKOFF CEO and Co-founder, REBECCA MINKOFF

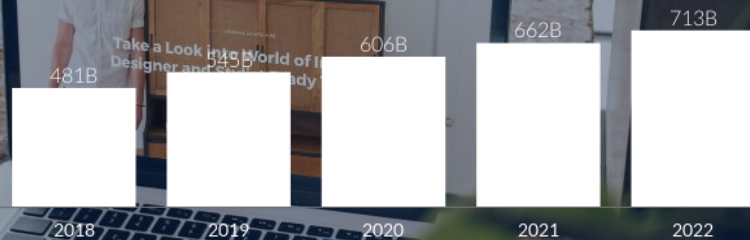
# INDUSTRY-WIDE DATA

## The State of the Ecommerce Fashion Industry

Cumulative data compiled within The Fashion and Apparel Industry Report paints a bright portrait with worldwide revenue expected to rise from \$481.2 billion in 2018 to \$712.9 billion by 2022.

### ECOMMERCE FASHION INDUSTRY

Worldwide revenue in Billions of USD



#### OPPORTUNITIES

Driving this growth are four notable opportunities.

- o Expanding global markets outside the West
- o Increasing online access and smartphone penetration
- o Emerging worldwide middle-classes with disposable income
- o Innovating technologies to create experiential ecommerce.

Fashion consumers will also have more buying power, as the number of potential customers is projected to grow to more than 1.2 billion by 2020.



#### THREATS

The biggest threats to established brands include:

- o Death of brand loyalty due to market fragmentation
- o Cost of combating return rates as high as 50%
- o Fast fashion's ability to manufacture styles on-demand pressure from consumers to use ethically sourced and green manufacturing materialst

We'll get into strategies to combat these issues later. For now, let's examine how these big numbers play out in industry sub-verticals.

# ANYWHERE E-COMMERCE

It goes without saying that social media has been a driving force in the fashion market. Unfortunately, most brands are plagued by a single sin. Andy Crestodina describes the situation perfectly:

"Most branded content is advertising under a thin layer of information or entertainment. Scratch the paint, find an ad. It's the brand putting itself first."

Thankfully, fashion and social media are a match made in ecommerce heaven. Even when it comes to explicitly "branded" content ... and especially on Instagram.

## APPAREL BRANDS ENGAGEMENT ON SOCIAL MEDIA



INSTAGRAM

13.71



FACEBOOK

0.43



PINTEREST

0.49



TWITTER

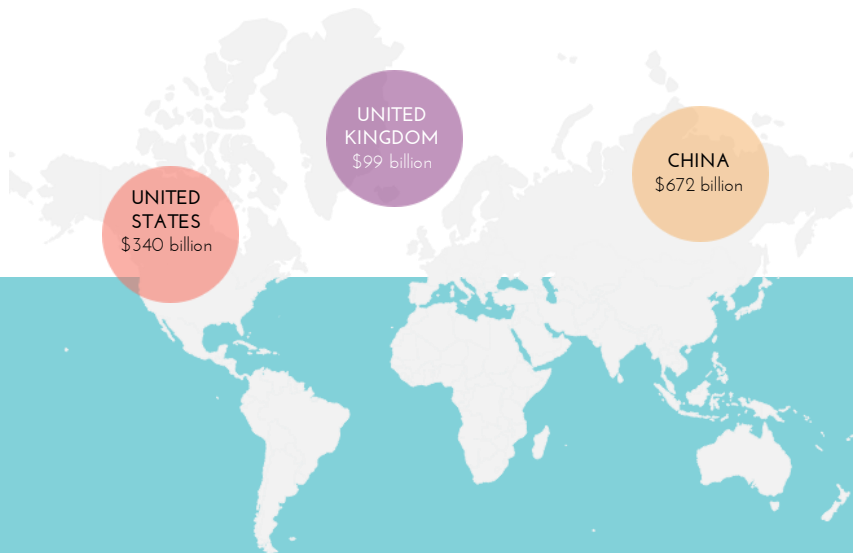
0.17

Average interactions per post per 1,000 followers



THE REAL POWER  
FOR SOCIAL  
COMES FROM  
INTEGRATING  
MULTI-CHANNEL  
ECOMMERCE TO  
CREATE  
ANYWHERE  
COMMERCE

## GOING GLOBAL



“WE SHIP AROUND THE WORLD FROM MELBOURNE, BUT WE HAD TO CONNECT BETTER WITH OUR INTERNATIONAL AUDIENCES”

The 5TH co-founder,  
Alex McBride

### 10 LARGEST ECOMMERCE MARKETS

By Billions of USD

CHINA	\$672 BILLION
UNITED STATES	\$340 BILLION
UNITED KINGDOM	\$99 BILLION
JAPAN	\$79 BILLION
GERMANY	\$73 BILLION
FRANCE	\$43 BILLION
SOUTH KOREA	\$37 BILLION
CANADA	\$30 BILLION
RUSSIA	\$20 BILLION
BRAZIL	\$19 BILLION



To

## The Members

The Directors have great pleasure in presenting their 29<sup>th</sup> Annual Report along with the audited financial statements for the financial year ended March 31, 2021.

## FINANCIAL RESULTS

The financial results of the Company for the year ended 31<sup>st</sup> March 2021 are summarized below:

(All figures in lakhs, Except for EPS)

Details	Standalone		Consolidated	
	Year ended	Year ended	Year ended	Year ended
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Total Revenues	145.50	134.34	145.50	134.34
Total Expenses	119.23	125.81	119.23	125.81
Profit before exceptional and extraordinary items	26.2	8.53	26.2	8.53
Exceptional items	-	-	-	-
Profit before extraordinary items and tax	26.2	8.53	26.2	8.53
Profit before Tax	26.2	8.53	26.2	8.53
Current Tax	3.07	2.22	3.07	2.22
Deferred Tax	-	-	-	-
Profit / (Loss) for the year	19.43	6.31	19.43	6.31
Minority Interest	-	-	-	-
paid up equity capital	1545.71	1236.50	1545.71	1236.50
Earnings per share (EPS) for the year (Rs)				
i) Basic	0.13	0.05	0.13	0.05
ii) Diluted	0.13	0.05	0.13	0.05

## COVID-19

In the last month of FY 2020-21, the COVID-19 pandemic developed into a global crisis, forcing governments to enforce lockdowns of all economic activity. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees, and on minimizing disruption to services for all our customers globally.

The Company implemented work from home for employees all over to carry out the business seamlessly. As of March 31, 2021, work from home was enabled to close to 100 percent of the employees to work remotely and securely.

## COMPANY PERFORMANCE AND RESULTS OF OPERATIONS

### Standalone Results

During the year, your Company on a standalone basis earned total revenue of Rs. 145.50 lakhs as against Rs.117.50 Lakhs earned during the previous year. The profit before tax during the year is Rs.26.26 lakhs as against Rs. 8.53 lakhs of the previous year.

After taking into account the tax provisions and adjustments, the profit for the year was Rs.19.43 lakhs as against a profit of 6.31 lakhs for the previous year.

### Consolidated Results

During the year, your Company on a consolidated basis with all its subsidiaries earned total revenue of Rs. 145.50 lakhs against Rs.117.50 lakhs earned during the previous year. The profit before tax during the year is Rs. 26.26 lakhs as against Rs. 8.53 lakhs 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 profit for the year is Rs.19.43 Lakhs as against a loss of Rs. 6.31 lakhs incurred in the previous year.

### DIVIDEND

The Board of Directors have decided to retain the entire amount of the profits for FY 2020-21 in the profit and loss account and hence, no dividend is being declared for this financial year.

### SHARE CAPITAL

During the year, the Board of Directors has allotted 30,92,100 equity shares constituting 20% of post issue paid up share capital of the Company against the conversion of equivalent OCRPS held by Chemoil Advanced Management Services Private Limited in terms of point 8 (e) falling under "Other terms and conditions and details of Convertible Securities" of Explanatory Statement attached to the ratified Shareholder's resolution passed in the Annual General Meeting held on 29<sup>th</sup> September 2018. The Company has obtained the listing approval from NSE and BSE for 30,92,100 Equity shares on 28.09.2020 and 19.10.2020 respectively.

Post the above allotment, the Share Capital of the Company as of March 31, 2021 stood at Rs.15,87,58,060/- shares of Rs. 10/- each as below:

- a) 1,54,57,106 equity shares of Rs. 10/- each;
- b) 4,18,700 Optionally Convertible Redeemable Preference Shares of Rs. 10/- each

### TRANSFER TO RESERVES

The Company retained the entire surplus in the Profit and Loss Account and hence no transfer to General Reserve was made during the Year.

## SUBSIDIARY COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company and its subsidiary, prepared in accordance with Indian Accounting Standards notified under the Companies Indian Accounting Standards notified under the Companies (Indian Accounting Standard) Rules, 2015 ('IND AS') form part of the Annual Report and are reflected in the Consolidated Financial Statements of the Company.

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 in Consolidated Financial Statements. As on March 31, 2021, the company has a 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 as Annexure V along with the financial statement of the company.

### 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.

### 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.

### 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 except for taking of loan from Mr. Vasudevan Mahadevan (Managing Director and Promoter) to funds day to day operations of the Company. The shareholder's approval for availing the above loan has been obtained in the 28<sup>th</sup> Annual General Meeting of the Company.

The related party transactions undertaken during the financial year 2020-21 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-IV** to the Board's Report.

## DETAILS OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

### Appointments

- The Appointment of Mr.Chandan R S (DIN: 08849851) as Director in Independent Capacity was approved by the Shareholders in the Annual General Meeting held on September 30, 2020.

- 

### Retirement and Resignation

- As per the provisions of Companies Act, 2013 Dr. Manimala Vasudevan (DIN: 01980557), Whole Time Director.is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment. The Board of Directors recommends her appointment.
- Mr. Pasupathy Raju (DIN: 08066502) resigned from the Board as Independent Director w.e.f September 10, 2020 due to personal reasons and there are no other material reasons for his resignation.
- Mrs. Keerti Saraswat (DIN: 08048562) resigned from the Board as Independent Director w.e.f September 22, 2020 due to personal reasons and there are no other material reasons for his resignation.

## BRIEF PROFILE OF DIRECTORS PROPOSED TO BE APPOINTED

Dr. Manimala Vasudevan (DIN: 01980557) is the Whole time Director of the Company who holds a Doctorate in Pharmacokinetics and Clinical Research Dr. MGR University, Chennai. A professional with over 28 years of experience in the Pharmacovigilance, Clinical Data Management, Clinical Data Analytics, thereby gaining rich experience in consulting engagements and management of large scale technology programs as well as operations involved in Clinical Research.. All the Executive Directors and Non-Executive and Non Independent Directors are liable to retire by rotation. Applying this, Dr. Manimala Vasudevan (DIN: 01980557) who was appointed as Whole time Director on 08-06-2018, in the current term, being the longest serving member, is liable to retire by rotation in the ensuing Annual General Meeting of the Company.

### **Mr. Frederick Ivor Bendle (DIN: 03156399) as a Non- Executive Director of the Board**

Mr. Frederick Ivor Bendle (DIN: 03156399) who was appointed as Non Executive Director of the Company with effect from July 31, 2021 hold office up to the date of this Annual General Meeting in terms of Section 161(1) of the Act. The Company has received a notice under Section 160 of the Companies Act, 2013, signifying their intention to propose the candidature of Mr. Frederick Ivor Bendle for the office of Director of the Company. He has been Chief Financial Officer of Chemoil, a Glencore Company since August 2012, Prior to this, Fred was head of the Chemoil back-office service company "CAMS" and then as Chief Executive Officer of Calsoft and as a Director of Chemoil-Adani Pte. Ltd. He has held several senior roles for Glencore including Project Director for the multi-billion dollar "Cartagena Refinery Expansion Project" in Colombia, CFO of the Fujairah Refinery Company in the UAE and the Lisichansk

Refinery in Ukraine. He also represented Glencore in the acquisition and management of oil production assets in Russia and West Africa. Prior to Glencore, he has spent three years with Kuwait Petroleum Limited as CFO of oil exploration and production operations in Egypt and Tunisia and was previously CFO of a London listed oil exploration company and CFO of a Canadian listed oil services group.

Mr. Frederick Ivor Bendle (DIN: 03156399) is a Graduate in Law and has been a member of The Institute of Chartered Accountants of England and Wales since 1982.

After taking into consideration the recommendation of the Nomination & Remuneration Committee, the Board is of the opinion that Mr. Frederick Ivor Bendle's vast knowledge and varied experience will be of great value to the Company and therefore has recommended for the approval of the shareholders the appointment of Mr. Frederick Ivor Bendle as a "Non-Executive Director", liable to retire by rotation.

**Details of other directorships held by Mr. Frederick Ivor Bendle (DIN: 03156399):**

CIN/FCRN	Company Name	Begin Date	End Date
U64201KA2001PTC029221	Aspire Communications Private Limited	26/09/2012	-
U72200TN2003PTC112344	Inatech India Private Limited	26/09/2012	-
U72900TN2012FTC087025	Glencore Information Services Private Limited	31/07/2012	-

**Mr. Gopalakrishna Rao Purushothama (DIN: 07556751) as an Independent Director**

Mr. Gopalakrishna Rao Purushothama (DIN: 07556751) who was appointed as an Independent Director of the Company with effect from July 31, 2021 to hold office up to the date of this Annual General Meeting in terms of Section 161(1) of the Act.

Mr. Gopalakrishna Rao Purushothama (DIN: 07556751) is an Entrepreneur, 12 years of experience in setting up manufacturing units, IT park, managing various businesses and having a demonstrated track record of executing diversified projects. Expertise in anticipating turbulence, leading in uncertainty, and restoring confidence. He is a science graduate from the University of Mysore and holds a post graduate degree in business administration.

Mr. Gopalakrishna Rao Purushothama (DIN: 07556751) is not related to any Director of the company.

In terms of proviso to sub-section (5) of Section 152, the Board of Directors is of the opinion that Mr. Gopalakrishna Rao Purushothama (DIN: 07556751) fulfils the conditions specified in the Act for his appointment as an Independent Director. After taking into consideration the recommendation of the Nomination & Remuneration Committee, the Board is of the opinion

that Mr. Gopalakrishna Rao Purushothama’s expert knowledge and varied experience will be of great value to the Company and and therefore has recommended for the approval of the shareholders the appointment of Mr. Gopalakrishna Rao Purushothama as an “Independent Director”, not liable to retire by rotation for a period of five consecutive years w.e.f. July 31, 2021 to July 30, 2026.

**Details of other directorships held by Mr.Gopalakrishna Rao Purushothama (DIN: 07556751):**

CIN/FCRN	Company Name	Begin Date	End Date
U24239KA2020PTC142236	Vindecare Pharma Private Limited	15/12/2020	-
U63023KA2019PTC127148	Polar Infosystems India Private Limited	19/08/2019	-
U65999KA2021PTC142993	Clairvoyance Business Holdings Private Limited	09/01/2021	-

**Dr. Ashok Godavarthi (DIN: 08389864) as an Independent Director**

Dr. Ashok Godavarthi (DIN: 08389864) who was appointed as an Independent Director of the Company with effect from July 31, 2021 to hold office up to the date of this Annual General Meeting in terms of Section 161(1) of the Act.

Dr. Ashok Godavarthi (DIN: 08389864) is a Biotechnologist, having 20 years of experience in handling biotechnological research products, presently working as Chief Executive Officer at Radiant Research Services Pvt Ltd, Bangalore involved in pre-clinical and clinical research services to Pharma, Herbal, Ayurveda, Nutraceutical and Cosmetic industries. He also worked in R&D center of Himalaya Drug Company, Bangalore, involved in development of drugs against cancer, viral disease and metabolic disorders.

Dr. Ashok Godavarthi holds a post graduate degree in Pharmacy and Doctor of Philosophy.

Dr. Ashok Godavarthi is not having any relation with existing Board of Members of the company.

In terms of proviso to sub-section (5) of Section 152, the Board of Directors is of the opinion that Dr. Ashok Godavarthi (DIN: 08389864) fulfils the conditions specified in the Act for his appointment as an Independent Director. After taking into consideration the recommendation of the Nomination & Remuneration Committee, the Board is of the opinion that Dr. Ashok Godavarthi’s expert knowledge and varied experience will be of great value to the Company and and therefore has recommended for the approval of the shareholders the appointment of Dr. Ashok Godavarthi as an “Independent Director”, not liable to retire by rotation for a period of five consecutive years w.e.f. July 31, 2021 to July 30, 2026.

**Details of other directorships held by Dr. Ashok Godavarthi (DIN: 08389864):**

CIN/FCRN	Company Name	Begin Date	End Date
AAO-4823	Excentrio Therapeutics LLP	29/11/2019	-

**Mr. B. Duraisamy (DIN: 09258691) as an Independent Director**

Dr.B. Duraisamy (DIN: 09258691) who was appointed as an Independent Director of the Company with effect from July 31, 2021 to hold office up to the date of this Annual General Meeting in terms of Section 161(1) of the Act.

Professor Dr B. Duraisamy having more than 30 years of experience in Research and Development, guided more than 10 research projects and also he was teaching post graduate students at Dr MGR Medical University and JSS University. He published more than 50 research publications at various international Scientific Journals.

Dr B. Duraisamy holds a post graduate degree and PhD.

Dr B. Duraisamy is not having any relation with existing Board of Members of the company.

In terms of proviso to sub-section (5) of Section 152, the Board of Directors is of the opinion that Dr.B. Duraisamy (DIN: 09258691) fulfils the conditions specified in the Act for his appointment as an Independent Director. After taking into consideration the recommendation of the Nomination & Remuneration Committee, the Board is of the opinion that Dr.B. Duraisamy's expert knowledge and varied experience will be of great value to the Company and and therefore has recommended for the approval of the shareholders the appointment of Dr.B. Duraisamy as an "Independent Director", not liable to retire by rotation for a period of five consecutive years w.e.f. July 31, 2021 to July 30, 2026.

**Details of other directorships held by Dr.B. Duraisamy (DIN: 09258691) : None****Mr. Vijayakumar Madhavan (DIN: 07892448) as an Executive Director**

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, appointed Mr. Vijayakumar Madhavan (DIN 07892448) as a Whole-time Director of the Company with effect from July 31, 2021 pursuant to the provisions of Section 161(1) of the Act and Article 73 of the Articles of Association of the Company, he holds office up to the date of this AGM and is eligible to be appointed as Whole-time Director, whose office shall be liable to retire by rotation.

Mr. Vijayakumar Madhavan (DIN 07892448) is a Software Engineering professional with over 25 years of experience in in Business Analyst, Testing and Validation of software's,

Development of Mobile application. Presently working as Vice President at Calsoft involved in the design and validation of Artificial Intelligence and IoT integrated e Commerce Platforms and also various software's for global commerce. He has been working various companies including National Bank of Kuwait (NBK),Kuwait International Bank (KIB), Kuwait, Middle East and May Bank Malaysia.

Mr. Vijayakumar Madhavan holds a post graduate degree in Masters in Computer Applications and Management

Mr. Vijayakumar Madhavan is not having any relation with existing Board of Members of the company.

Mr. Vijayakumar Madhavan holds 4, 06,303 lakhs shares of the company.

The Board is of the opinion that Mr. Vijayakumar Madhavan's expert knowledge and varied experience will be of great value to the Company and and therefore has recommended for the approval of the shareholders the appointment of Mr. Vijayakumar Madhavan as Whole Time Director liable to retire by rotation for a term of five years commencing from July 31, 2021 to July 30, 2026.

**Details of other directorships held by Mr. Vijayakumar Madhavan (DIN 07892448):**

CIN/FCRN	Company Name	Begin Date	End Date
U24232TN2015PTC101141	Global Allied Pharmaceuticals Private Limited	03/05/2017	-
U73100TN2007PTC064311	Roxaane Research Private Limited	03/05/2017	-
U73200TN2013PTC089933	Hysynth Bio Technologies Private Limited	03/05/2017	-



## DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declarations from all its Independent Directors that they meet the criteria of Independence as laid down under Section 149 (6) of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the financial year ended March 31, 2021.

Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV of the Companies Act, 2013.

## GOVERNANCE GUIDELINES

The Board of the Company has adopted Governance Guidelines on Board Effectiveness. The Guidelines cover aspects related to composition and role of the Board, Chairman and Directors, Board diversity, definition of independence, Director term, retirement age and Committees of the Board. It also covers aspects relating to nomination, appointment, induction and development of Directors, Director remuneration, Subsidiary oversight, Code of Conduct, Board Effectiveness Review and Mandates of Board Committees.

## PROCEDURE FOR NOMINATION AND APPOINTMENT OF DIRECTORS

The Nomination and Remuneration Committee (NRC) is responsible for developing competency requirements for the Board based on the industry and strategy of the Company. The Board composition analysis reflects in-depth understanding of the Company, including its strategies, environment, operations, financial condition and compliance requirements. The Nomination and Remuneration Committee conducts a gap analysis to refresh the Board on a periodic basis, including each time a Director's appointment or re-appointment is required. The Committee is also responsible for reviewing the profiles of potential candidates vis-à-vis the required competencies and meeting potential candidates, prior to making recommendations of their nomination to the Board. At the time of appointment, specific requirements for the position, including expert knowledge expected, is communicated to the appointee.

## CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES AND INDEPENDENCE OF A DIRECTOR

The Nomination and Remuneration Committee has formulated the criteria for determining qualifications, positive attributes and independence of Directors in terms of provisions of Section 178(3) of the Act and Regulation 19 read with Part D of Schedule II of the Listing Regulations.

**Independence:** In accordance with the above criteria, a Director will be considered as an 'Independent Director' if he/she meets with the criteria for 'Independent Director' as laid down in the Act and Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations.

**Qualifications:** A transparent Board nomination process is in place that encourages diversity of thought, experience, knowledge, perspective, age, and gender. It is also ensured that the Board has an appropriate blend of functional and industry expertise. While recommending

the appointment of a Director, the Nomination and Remuneration Committee considers the manner in which the function and domain expertise of the individual will contribute to the overall skill-domain mix of the Board.

**Positive Attributes:** In addition to the duties as prescribed under the Act, the Directors on the Board of the Company are also expected to demonstrate high standards of ethical behavior, strong interpersonal and communication skills and soundness of judgement. Independent Directors are also expected to abide by the 'Code for Independent Directors' as outlined in Schedule IV to the Act.

## **CORPORATE SOCIAL RESPONSIBILITY**

During the financial year the Company has not met any of the threshold requirements of Section 135 of the Companies Act, 2013. According to the requirement to spend on CSR or any related provisions of CSR are not applicable to the Company.

## **ANNUAL EVALUATION OF BOARD PERFORMANCE AND PERFORMANCE OF ITS COMMITTEES AND OF DIRECTORS**

Pursuant to the applicable provisions of the Act and the Listing Regulations, the Board has carried out an annual evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its committees.

The Nomination and Remuneration Committee has defined the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and Directors.

The performance of the Board and individual Directors was evaluated by the Board after seeking inputs from all the Directors. The performance of the Committees was evaluated by the Board after seeking inputs from the Committee Members. The criteria for performance evaluation of the Board included aspects such as Board composition and structure, effectiveness of Board processes, contribution in the long-term strategic planning, etc. The criteria for performance evaluation of the Committees included aspects such as structure and composition of Committees, effectiveness of Committee meetings etc. The above criteria for evaluation was based on the Guidance Note issued by SEBI.

In a separate meeting, the independent Directors evaluated the performance of Non-Independent Directors and performance of the Board as a whole. They also evaluated the performance of the Chairman taking into account the views of Executive Directors and Non-Executive Directors. The NRC reviewed the performance of the Board, its Committees and of the Directors. The same was discussed in the Board Meeting that followed the meeting of the independent Directors and Nomination and Remuneration Committee, at which the feedback received from the Directors on the performance of the Board and its Committees was also discussed.

## **FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS**

The Directors are provided with necessary documents, reports and internal policies to enable them to familiarize with the company's procedures and practices. Further, periodic presentations are made at the Board and its Committee Meetings, on business and performance updates of the company, global business environment, business strategy and

risks involved. Quarterly updates on relevant statutory changes are provided to the Directors in the Board meetings.

Upon appointment, the Directors are issued a Letter of Appointment setting out in detail the terms of employment including their roles, function, responsibilities and their fiduciary duties as a Director of the company.

The details of such familiarization programme for Independent Directors are posted on the website of the company and are available at <https://www.calsof.com/investor>

### SKILLS, EXPERTISE AND COMPETENCIES OF THE BOARD

The Board of Directors has, based on the recommendations of the Nomination and Remuneration Committee ('NRC'), identified the following core skills/expertise/competencies of Directors as required in the context of business of the Company for its effective functioning:

#### Skills/ expertise /competencies available with the Board and the Names of directors who have such skills / expertise / competence

Name of Director	Skills/ expertise /competencies possessed
VASUDEVAN MAHALINGAM	All the Directors possess the required Management skills and has expertise on knowledge of IT Industry and its operations and technology developments and has the ability to run the business to the expectations of the stakeholders. Ability to closely follow the competitive business environment and implementation of strategies for the beneficial performance and compliance with the requirements of various statutes.
MANIMALA VASUDEVAN	
VIJAYAKUMAR MADHAVAN	
AVN SRIMATHI	
SAMPATH	
RS CHANDAN	

### NUMBER OF BOARD MEETINGS

During the year, six (6) board meetings were conducted 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.

### BOARD COMMITTEES

The primary committees of the Board are Audit committee, Nomination and remuneration committee, Stakeholder Relationship Committee. Since the Company does not fall under TOP 500 listed entities based on market capitalization, it is not mandatory for the Company to form Risk Management Committee.

### 1) Audit Committee

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 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 four "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 financial year 2020-21, the Audit Committee met four times on May 14, 2020, August 26, 2020, October 13, and February 5, 2021.

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.

### 2) Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises of four Non-Executive Independent Directors as on 31st March 2021. The Chairman of the Committee was an Independent Director. The said committee comprises of Mrs. Keerti Saraswat, Mr. Pasupathy Raju, Mrs. AVN Srimathi Mr. Sampath and Mr R. S Chandan. The Company Secretary acted as the Secretary of the Committee. The Committee has met 3 times during the financial year 2020-21 on May 14, 2020, August 26, 2020, and February 5, 2021.

### 3) Stakeholder Relationship Committee

The Company has a Stakeholders Grievance Committee (formerly known as Shareholders'/Investors' Grievance Committee) of the Board of Directors to look into the redressal of complaints of shareholders'/investors' such as transfer or credit of shares, non-receipt of dividend/notices/annual reports, etc.

During the year, the Stakeholders Relationship Committee (formerly known as Shareholders'/Investors' Grievance Committee) comprises of six members of the Board, as on 31st March 2020 namely Mrs. Keerti Saraswat, Mrs. AVN Srimathi, Mr. Pasupathy Raju, Mr. Vasudevan Mahalingam Mr. Sampath and Mr. R. S Chandan Among the members, five of them were Non-Executive and Independent Directors and one was Executive Director. The Company Secretary acts as the Secretary of the Committee. The Committee has met 4 times during the financial year 2020-21 on May 14, 2020, August 26, 2020, October 13, 2020 and February 5, 2021.

## DETAILS OF POLICIES DEVELOPED BY THE COMPANY

### 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.calsof.com](http://www.calsof.com) and relevant extracts from the

Policy are reproduced in **Annexure II** to this report.

The Board affirms that the remuneration paid during financial year 2020-21 to the Employees and Key Managerial Personnel was as per the Remuneration policy of the Company.

## **2) Whistle Blower Policy - 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 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.calsof.com>.

## **3) Board Diversity**

The 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.

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.

## **COMPLIANCE WITH SECRETARIAL STANDARDS**

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, issued by the Institute of Company Secretaries of India, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

## **AUDITORS**

### **Statutory Auditors**

M/s. N Balasubramanian Associates, Chartered Accountants were appointed as Statutory Auditors of the Company at the 24th AGM held on September 28, 2016 to hold office up to conclusion of the 29th AGM. As the term of 5 years of the present Statutory Auditor ended

the Board has appointed M/s. N.Naresh & Co., Chartered Accountants (Firm Registration No. 011293S) as Statutory Auditors of your Company from the conclusion of the 29<sup>th</sup> AGM till the conclusion of 34<sup>th</sup> AGM of the Company to be held in the year 2026.

M/s. N.Naresh & Co., Chartered Accountants (Firm Registration No. 011293S) have consented to act as statutory auditors of the Company and given a certificate in accordance with Section 139, 141 and other applicable provisions of the Act to the effect that their appointment, if made, shall be in accordance with the conditions prescribed and that they are eligible to hold office as Statutory Auditors of the Company.

The Audit Committee has taken into account the experience and expertise of the auditors and recommended them to the Board for appointment. The Board accordingly recommends to the Shareholders the appointment of M/s. N.Naresh & Co., Chartered Accountants (Firm Registration No. 011293S) as statutory auditors of the Company.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

#### **Secretarial Auditor**

S. Dhanapal and Associates, Company Secretaries-in-Practice have been appointed as Secretarial Auditor for the financial year 2020-21. The Secretarial Audit Report in Form No. MR.3 issued by the Secretarial Auditor forms part of the Annual Report as **Annexure III** to the Board's report.

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

**Cost Audit-** The Company is not required to conduct cost audit.

## PARTICULARS OF EMPLOYEES AND REMUNERATION

Details as required under Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014: **As as per Annexure VI**

### DETAILS REQUIRED AS PER SECTION 197 AND RULE 5 (1) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

NAME OF DIRECTOR/KMP	AMOUNT OF REMUNERATION PER ANNUM (Rs. In Lakhs)	RATIO OF REMUNERATION TO MEDIAN REMUNERATION OF EMPLOYEES FOR THE FY	% INCREASE IN REMUNERATION DURING THE FY
Mr.Vasudevan Mahalingam	Nil	Nil	Nil
Ms.Manimala Vasudevan	Nil	Nil	Nil
Mr.Vijayakumar Madhavan	10,00,000	12	Nil

#### Percentage increase in the Median Remuneration of employees in the financial year

The median remuneration of employees for the financial year 31<sup>st</sup> March 2021 was arrived at Rs.7.00 lakhs/- per month and the median remuneration of Employees for the previous financial year 31<sup>st</sup> March 2021 was arrived at Rs.25,000/- per month and accordingly, there was an increase of 10 % in the median remuneration of employees in a financial year.

#### Number of permanent employees on the rolls of the Company as on March 31, 2021

The number of permanent employees on the rolls of the Company as of March 31, 2021 stood at 15 employees.

**Average percentile increases already made in the salaries of employees other than managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there any exception circumstances for increase in managerial remuneration.**

The average percentile increase was about 10% for all employees who went through the compensation review cycle in the year. For the managerial position, the compensation level remained the same in respect of Managing Director and Executive Director and CFO it has marginally increased due to annual increment based on their performance.

## **DETAILS OF PECUNIARY RELATIONSHIP OR TRANSACTIONS OF NON-EXECUTIVE DIRECTORS VIS A VIS THE COMPANY**

No sitting fees was given to any non-executive Directors for every meeting of the Board and committee meeting they attended as members of the board.

Mr.Vasudevan Mahalingam holds 55,22,972 equity shares as of 31<sup>st</sup> March 2021.

### **INTERNAL FINANCIAL CONTROLS**

The term Internal Financial Controls has been defined as the policies and procedures adopted by the company to ensure orderly and efficient conduct of its business, including adherence to company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records, and the timely preparation of reliable financial information. Your Company has adequate and robust Internal Control Systems, commensurate with the size, scale and complexity of its operations.

To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of Internal Audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board. The Audit Committee also conducts discussions about Internal Control Systems with the Internal and Statutory Auditors and the Management of the Company and satisfy themselves on the integrity of financial information and ensure that financial controls and systems of risk management are robust and defensible.

### **HUMAN RESOURCES**

#### **Employee Strength and Expansion**

Calsoft is in the process of employing more than 1000+ employees to deliver an industry leading revenue per employee. Calsoft continued its focus on talent localization strategy in global locations, a strategy adopted a decade ago, ahead of the market. This has paid rich dividends in an era of strong emphasis on talent localization.

In FY2020-21, human resource function continued to build on its organization strategy and mission. Our various initiatives were focused to simplify HR function, impacting entire hire to retire cycle, enhancing employee experience by delivering distinctive people practices. HR function collaborated with business for enhanced business value addition by driving operational efficiencies and effective organization design.

#### **Talent Acquisition, Talent Development & Career Management**

Calsoft's talent acquisition & talent management practices are aligned to our strategy. We have leveraged Digital and Cloud technologies to enhance the quality and experience of our Talent Acquisition, Talent Development and Career Management programs, we leveraged artificial intelligence & data science to hire the right talent at the right time. Calsoft believes



LEARN.. UNLEARN... RELEARN is a continuous process, and it will bring in new models of employment and force organizations to rethink Future of Work and Workplace. We shifted focus on enhancing the business value through increasing passion, proficiency and value by enabling our employees to drive Performance, Productivity and Innovation.

#### **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The Company has not received any complaint on sexual harassment during the financial year ended 31.03.2021.

#### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

During the year there are no significant and/or material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

#### **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.

#### **EXTRACT OF ANNUAL RETURN**

As per the MCA Notification dated 28th August, 2020 making an amendment to Rule 12(1), a web link of the Annual Return is furnished in accordance with sub section (3) of Section 92 of The Companies Act, 2013 and as prescribed in Form MGT-7 of The Companies ( Management and Administration) Rules, 2014 You may please refer to our Company's weblink [https://www.calsoftgroup.com/investor/Form\\_MGT\\_7.pdf](https://www.calsoftgroup.com/investor/Form_MGT_7.pdf)

#### **CORPORATE GOVERNANCE**

The Company has complied with the corporate governance requirements under the Companies Act, 2013 and as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. A report on Corporate Governance including Management Discussion and Analysis report under Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 along with a certificate from M/s. S Dhanapal & Associates, Practising Company Secretaries, confirming the compliance is annexed herewith marked as **Annexure V** and forms part of this report.

## 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.calsof.com](http://www.calsof.com). All Board Members and Senior Management Personnel have affirmed their compliance with the Code for the financial year ended March 31, 2021. A declaration to this effect signed by Dr. M. Vasudevan, Managing Director forms part of the Corporate Governance Report.

## 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.

## RELATED PARTY TRANSACTIONS

During the year under review, the company has not entered into any transaction of a material nature with its subsidiaries, promoters, Directors, the management, senior management personnel, their relatives, etc., that may have any potential conflict with the interest of the company. The company has obtained requisite declarations from all Directors and senior management personnel in this regard and the same were placed before the Board of Directors.

There have been no materially significant related party transactions, monetary transactions or relationships between the company and its Directors, management, subsidiary, or relatives, except for those disclosed in the financial statements for the financial year 2020-21. Detailed information on materially significant related party transactions is enclosed in **Annexure III** to the Board Report

## 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.

During this FY 2020-21, the company earned Rs. 16.80 lakhs as foreign exchange earnings.

## **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:

- In preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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.
- 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.
- The directors had prepared the annual accounts on a going concern basis.
- Proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- Proper systems were in place so as to ensure compliance with the provisions of all applicable laws and were adequate and operating effectively.

## **GREEN INITIATIVES**

From the FY 2016-17 onwards, Electronic copies of Annual Reports and Notice of the 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 were sent.

## **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](http://www.calsoftgroup.com) / [www.calsof.com](http://www.calsof.com)) on a regular basis.

## **KEY MANAGERIAL PERSONNEL**

The Key Managerial Personnel of the Company are:

- Dr. MahalingamVasudevan has been appointed as Managing Director & CEO with effect from December 23, 2017.
- Dr. V. Manimala has been appointed as an Executive Director & COO with effect from June 08, 2018.
- Mr. VijayakumarMadhavan has been appointed as an Executive Director & CFO with effect from June 08, 2018.

## ACKNOWLEDGEMENT

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

**For and on behalf of the Board of Directors**

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

**Vijayakumar M**  
Director

Chennai  
Date: July 31, 2021

## ANNEXURE I

### FORM NO. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2021

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2021

To

The Members,

**CALIFORNIA SOFTWARE COMPANY LIMITED,**

Chennai

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. California Software Company Limited**, (hereinafter called the company). Secretarial Audit was conducted based on records made available to us, in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion/understanding 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 made available to us and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we, on strength of those records, and information so provided, hereby report that in our opinion and understandings, the Company, during the audit period covering the financial year ended on March 31, 2021, appears to have complied with the statutory provisions listed hereunder and also in our limited review, that the Company has proper and required 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, minutes' book, forms and returns filed and other

records maintained by the Company and made available to us, for the financial year ended on March 31, 2021 according to the applicable provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder and the Companies Act, 1956 and the rules made thereunder as applicable;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- 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 to the extent applicable;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992('SEBI ACT') to the extent applicable during the year:-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as substituted by the Securities and Exchange Board of India (Issue of Capital And Disclosure Requirements) Regulations, 2018;
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - 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; and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 as substituted by the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018.

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2).
- ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We have examined in limited manner, the systems and processes in place to ensure compliance with specific laws like The Information Technology Act, 2000 and the rules made thereunder, considering and relying upon representations made by the Company and its Officers for systems and mechanism formed by the Company for compliances under these laws.

During the period under review, the Company has complied in accordance with the requirements to be met with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to the extent applicable during the year, except for delay in filing Annual disclosure of promoters as on 31.03.2020 and in filing forms with the MCA and non appointment of Internal Auditor.

It is represented to us that the company has initiated measures, wherever required, to address issues raised by the statutory authorities and letters/notices received by the Company during the financial year under various enactments as applicable to the company.

**We further report that**, subject to the above, the related documents that we have come across depict that:

The Board of Directors of the Company is constituted as applicable with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and 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.

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 of the Board and Committees were unanimous and the same was captured and recorded as part of the minutes and hence no dissent is recorded in minutes.

**We further report that** based on our limited review of the compliance mechanism established by the Company, there appear 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 and scope exists for improvement of same.

**We further report that** during the audit period, the Company has sought the approval of its members for following major events other than transaction of ordinary business at the Annual General Meeting:

- Material related party transaction as per SEBI (LODR) Regulations, 2015 i.e., borrowing money from Dr. Vasudevan Mahalingam, promoter of the Company
- Appointment of Mr. RS Chandan (DIN: 08849851) as an Independent Director of the Company;

**We further report that**, our Audit was subjected only to verifying adequacy of systems and procedures that are in place for ensuring proper compliance by the Company and we are not responsible for any lapses in those compliances on the part of the Company.

With respect to the applicable financial laws such as direct and indirect tax laws, based on the information & explanations provided by the management and officers of the Company and certificates placed before the Board of Directors, we report that adequate systems are in place to monitor and ensure compliance.

**We further report that** we have conducted entire secretarial audit only through online verification and examination of records, as requested and facilitated by the company, due to prevailing Covid situation for the purpose of issuing this Report.

**For S Dhanapal & Associates**

**N. Ramanathan  
(Partner)  
FCS 6665  
CP No. 11084  
UDIN: F006665C000717650**

Place: Chennai  
Date: 31.07.2021

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



## Annexure A

**To**

The Members

**CALIFORNIA SOFTWARE COMPANY LIMITED,**

Chennai

Our report of even date is to be read along with 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. Where ever 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.

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.

**For S Dhanapal & Associates**

**N. Ramanathan**

**(Partner)**

**FCS 6665**

**CP No. 11084**

**UDIN: F006665C000717650**

Place: Chennai

Date: 31.07.2021

# ANNEXURE – II

## EXTRACTS FROM NOMINATION AND REMUNERATION POLICY

### 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.

#### Scope of Application

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

#### 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.

#### 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 POLICY

### 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 enough 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.

### 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.

## **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.

## **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.

## **Appointment and removal of Director, KMP and Senior Management**

### **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.

### **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 1** to this Policy.

### **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.

### **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.

### **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 II - 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:
  - Knowledge to perform the role;
  - Time and level of participation;
  - Performance of duties and level of oversight; and
  - Professional conduct and independence.
  - The Board / Independent Directors shall be asked to complete the evaluation forms and submit the same to the Chairman;
  - 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.

As per the SEBI Circular SEBI/HO/CFD/CMD/CIR/P/2018/79 dated 10th May 2018, the followings details are being provided on Board evaluation:

<p><b>Observations of Board Evaluation carried out for the year</b></p>	<p>There were no observations arising out of board evaluation during the year as the evaluation indicates that the Board has functioned effectively within its powers as enumerated under Companies Act, 2013 and in consonance with the Articles of Association of the Company.</p>
<p><b>Previous year's observations and actions taken</b></p>	<p>There were no observations during the previous year</p>
<p><b>Proposed actions based on current year observations</b></p>	<p>As there were no observations, the action to be taken does not arise.</p>

## **TRAINING AND FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS**

Every Independent Director on being inducted into the Board attends an orientation program. To familiarise the new directors with the strategy, operations and functions of our Company, the Executive Directors/ Senior Managerial Personnel make presentations to the inductees about the Company's strategy, operations, product offerings, organisation structure, human resources, technologies, facilities and risk management. Further, at the time of appointment of Independent Directors, the Company issues a formal letter of appointment outlining his/her role, functions, duties and responsibilities as a Director. The detailed familiarisation program for Independent Directors is hosted on the website of the Company and the weblink for same is [www.calsoftgroup.com](http://www.calsoftgroup.com).



## ANNEXURE II - 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 II-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.

# ANNEXURE III

## Form No AOC-2 RELATED PARTY TRANSACTION

**[(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.

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

Sl. 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	-

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

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

Sl.No.	Particulars	Details
1	CIN. No.	U64201KA2001PTC029221
2	Name of the subsidiary	Aspire Communications Private Ltd
3	The date since when subsidiary was acquired	03.07.2001
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01 <sup>st</sup> April 2020 to 31 <sup>st</sup> March 2021
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Indian Rupees (INR)
5	Share Capital	25,00,00,000
6	Reserves & surplus	(2,00,41,141)
7	Total assets	1,11,785
8	Total Liabilities	1,11,785
9	Investments	–
10	Turnover	–
11	Profit before taxation	(649)
12	Provision for taxation	–
13	Profit after taxation	(649)
14	Proposed Dividend	–

15	% of shareholding	100
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**Notes:** the following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations: NIL
2. Names of subsidiaries which have been liquidated or sold during the year: NIL

### PART “B” – Associates and Joint Ventures

**Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures NIL**

Particulars	Details
Name of Associates / Joint Ventures	-
Latest Audited Balance Sheet Date	-
Shares of Associate / Joint Ventures held by the Company on the year end	-
No. of shares	-
Amount of investment in Associates / Joint Venture	-
Extent of Holding (in percentage)	-
Description of how there is significant influence	-
Reason why the Associate / Joint Venture is not consolidated	-
Net-worth attributable to Shareholding as per latest audited Balance Sheet	-
Profit / Loss for the year	-
i. Considered in Consolidation	-

**ii. Not Considered in Consolidation**

-

1. Names of associates or joint ventures which are yet to commence operations  
- Nil
2. Names of associates or joint ventures which have been liquidated or sold during the year  
- Nil

**Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified.**

**By order of the Board  
For CALIFORNIA SOFTWARE COMPANY LIMITED**

**M. Vijayakumar**  
Whole Time Director  
DIN: 07892448

**M. Vasudevan**  
Managing Director  
DIN: 01608150

**For N. Balasubramanian Associates**  
Chartered Accountants  
ICAI Firm Registration Number: 03555

**N. Balasubramanian**  
Partner  
Membership Number: 023445

**Place of Signature: Chennai**

**Date : 31.07.2021**

# ANNEXURE V

## CERTIFICATE OF CORPORATE GOVERNANCE

**To**

The Members  
California Software Company Limited

We have examined the compliance of conditions of Corporate Governance by M/s. California Software Company Limited (“the Company”) for the year ended March 31, 2021 as stipulated in regulations 17 to 27 of Chapter IV and clauses (b) to (i) of Regulation 46(2) and Para C & D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (“SEBI Listing Regulations”).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementations thereof adopted by the Company for ensuring the compliance with 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 and the representations made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance stipulated in regulations 17 to 27 of Chapter IV of Chapter IV and clauses (b) to (i) of Regulation 46(2) and Para C & D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (“SEBI Listing Regulations”) for the period from April 1, 2020 to March 31, 2021

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 S Dhanapal & Associates**  
**A firm of Practising Company Secretaries**

**Place: Chennai**  
**Date: 31.07.2021**

**N. Ramanathan**  
**(Partner)**  
**FCS 6665**  
**CP No. 11084**  
**UDIN: F006665C000717694**

**ANNEXURE VI****DETAILS OF TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN**

<b>Employee Name</b>	<b>Designation</b>	<b>Qualification</b>	<b>Age</b>	<b>Experience</b>	<b>Remuneration</b>
Mr.Vijayakumar	Director	MCA, MBA	50.00	25.00	10,00,000
Mr Gokul	IT Head	B.E IT	31.00	8.00	7,20,000
MrYeshwanth	Project Head	BE	25.00	4.00	6,60,000
Ms Geetha	Sr Software Engg	BE	23.00	2.00	6,00,000
Mr Dinesh Kumar	UI Designer	BE	27.00	5.00	3,60,000
Mr. NandhaGopal	Tester	BCA	24.00	2.00	3,00,000
Mr. Uma Shankar	Company Secretary	FCS	61.00	30.00	3,60,000
Mr. Jaiprakash	Software Exec	BE	25.00	3.00	3,00,000
Mr. NandhaGopal	Tester	BCA	24.00	2.00	3,00,000
Mr Ashok	Tester	BE	24.00	1.00	1,20,000

- Details of the employees employed throughout the year and drawing remuneration which in the aggregate is not less than Rupees One Crore and Two Lakhs per annum, during the financial year: NIL
- Employees employed for a part of the financial year, was in receipt of remuneration for any part of that year, which, in the aggregate exceeds Rupees



Eight Lakhs and Fifty Thousand per month, during the financial year: NIL

## **CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

*(Pursuant to Regulation 34 (3) and Schedule V Para C Clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*

In pursuance to sub clause (i) of Clause 10 of Part C of Schedule V of Securities and Exchange Board of India ((Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of California Software Company Limited (CIN L72300TN1992PLC022135), (hereinafter referred to as "Company"), we hereby certify that:

On the basis of the written representation/declaration received from Directors of the Company and taken on record by the Board of Directors of the Company for the year ended March 31, 2021, none of the Directors on the Board of the above said Company has been debarred or disqualified from being appointed or continuing as Director of Companies by SEBI / Ministry of Corporate Affairs or any such Statutory Authority.

**For S Dhanapal & Associates**  
**A firm of Practising Company Secretaries**

**Place: Chennai**  
**Date: 31.07.2021**

**N. Ramanathan**  
**(Partner)**  
**FCS 6665**  
**CP No. 11084**  
**UDIN: F006665C000717694**



Realize Your Ideas



# CORPORATE GOVERNANCE REPORT

## CORPORATE GOVERNANCE REPORT

Good governance facilitates efficient, effective and entrepreneurial management that can deliver stakeholder value over the longer term. It is about commitment to values and ethical business conduct. It is a set of laws, regulations, processes and customs affecting the way a company is directed, administered, controlled or managed.

Good corporate governance underpins the success and integrity of the organizations, institutions and markets. It is one of the essential pillars for building an efficient and sustainable environment.

Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. Good governance practices stem from the culture and mind set of the organization. The effectiveness of corporate governance in the company depends on regular review, preferably regular independent review. The company considers fair and transparent corporate governance as one of its most core management tenets.

The company has adopted a Code of Conduct for its Directors, Employees, consultants, vendors and customers and has also adopted a Code of Conduct to regulate, monitor and report trading by insiders and also a fair disclosure code. Some of the important best practices of Corporate Governance framework are timely and accurate disclosure of information regarding the financial position, performance, ownership and governance of the company.

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

Strong leadership and effective corporate governance practices have been the company's hallmark inherited from the Calsoft culture and philosophy.

The company has a strong legacy of fair, transparent and ethical governance practices. The company has adopted a Code of Conduct for its employees including the Managing Director and the Executive Directors. In addition, the company has adopted a Code of Conduct for its Non-Executive Directors which includes Code of Conduct for Independent Directors which suitably incorporates the duties of independent directors as laid down in the Companies Act, 2013 ("Act"). The company's corporate governance philosophy has been further strengthened through the Calsoft Business Excellence Model and the Calsoft Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices ("Insider Trading Code"). The company has in place an Information Security Policy that ensures proper utilisation of IT resources.

The company is in compliance with the requirements stipulated under Regulations 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable, with regard to corporate governance.

## Philosophy on Code of Governance

The Corporate Governance philosophy of the company is based on the following principles:

- Follow the spirit of the law and not just the letter of the law. Corporate Governance standards should go beyond the law.
- Be transparent and maintain high degree of disclosure levels. When in doubt, disclose it.
- Make a clear distinction between personal convenience and corporate resources.
- Communicate externally, in a truthful manner, about how the company is run internally.
- Have a simple and transparent corporate structure driven solely by business needs.
- Comply with the laws in all the countries in which the company operates.
- Management is the trustee of shareholders' capital and not the owner.

Corporate Governance is an integral part of the philosophy of the company in its pursuit of excellence, growth and value creation. In addition to complying with the statutory requirements, effective governance systems and practices towards improving transparency, disclosures, internal control and promotion of ethics at workplace have been institutionalized. The company recognizes that good governance is a continuing exercise and reiterates its commitment to pursue highest standards of Corporate Governance in the overall interest of all its stakeholders.

## BOARD OF DIRECTORS

The Board of Directors determines the purpose and values of the company. The primary role of the Board is that of trusteeship to protect and enhance stakeholders' value through the strategic supervision of the company and its subsidiaries.

The company is headed by a Board that exercises leadership, integrity and judgment in directing to achieve continuing prosperity and to act in the best interest of the company. The Board plays a critical role in overseeing how the management serves the short and long-term interests of shareholders and other stakeholders. This is reflected in the company's governance practices, through which it strives to maintain an active, informed and independent Board. The Board ensures that the company complies with all relevant laws, regulations, governance practices, accounting and auditing standards. It identifies key risk areas and key performance indicators of the company's business and constantly monitors these factors.

The Board is entrusted with the ultimate responsibility of the management, general affairs direction and performance of the company and has been vested with the requisite powers, authorities and duties.

## BOARD SIZE AND COMPOSITION

The Board of Directors ("Board") is at the core of the company's Corporate Governance practices and oversees how the management serves and protects the long-term interests of

all the stakeholders. The company believes that an active, well informed and independent Board is necessary to ensure the highest standards of Corporate Governance.

The Board of the company has an optimum combination of Executive, Non-Executive and Independent Directors who have an in-depth knowledge of business, in addition to the expertise in their areas of specialization. During the year, majority of the Board comprised of Independent Directors. Independent Directors play a critical role in imparting balance to the Board processes by bringing independent judgments on issues of strategy, performance, resources, standards of the company, conduct etc.

During FY 2020-2021, the following changes took place in the composition of the Board of Directors:

- Mr. Chandan R S (DIN: 08849851) appointed on the Board as Additional Director in Independent capacity w.e.f August 26, 2020 and approved by shareholders in 28<sup>th</sup> AGM.
  - Mr. Pasupathy Sulligudu Raju (DIN: 08066502) resigned from the Board as Independent Director w.e.f September 10, 2020 due to personal reasons and there are no other material reasons for his resignation.
  - Mrs. Keerti Saraswat (DIN: 08048562) resigned from the Board as Independent Director w.e.f September 22, 2020 due to personal reasons and there are no other material reasons for his resignation.
1. As on 31st March 2021, the Company had Six Directors i.e., 3 Independent Directors including a women director, 2 Whole-time Directors and 1 Managing Director. The Chairman & Managing Director is an Executive Director. The composition of the Board is in conformity with Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  2. None of the Directors on the Board are Members in more than 10 committees or act as Chairman of more than five committees across all Companies in which he is a Director. The Directors have disclosed to the Company about the committee positions they occupy in other Companies and notify changes as and when they take place.
  3. The Board has met 6 (Six) times during the year and the gap between two meetings did not exceed 120 Days. The said Meetings were held on May 14, 2020, August 26, 2020, September 8, 2020, September 10, 2020, October 13, 2020 and February 5, 2021. The necessary quorum was present for all the meetings. None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.
  4. The minimum information as required under Part A of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is made available to the Board.

The Board has complete access to all information pertaining to the Company inter-alia, the following information is regularly provided to the Board, whenever applicable and materially

significant, either as a part of the agenda papers well in advance of the Board meetings or tabled in the course of the Board meeting or tabled before the appropriate Committees of the Board.

- a. Annual Operating plans & budgets and any updates thereof;
- b. Capital budgets and any updates thereof;
- c. Quarterly results of the Company, operating divisions and business segments;
- d. Minutes of the Meetings of Audit Committee and other Committees of the Board;
- e. The information on recruitment and remuneration of senior officers just below the Board level, including the appointment or removal of Chief Financial Officer and Company Secretary;
- f. Materially important show cause, demand, prosecution notices and penalty notices;
- g. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems;
- h. Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company;
- i. Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company;
- j. Details of any joint venture or collaboration agreement;
- k. Transactions that involve substantial payment towards goodwill, brand equity or intellectual property
- l. Significant labour problems and their proposed solutions. Any significant development in human resources/industrial relations front like signing of wage agreement, implementation of voluntary retirement scheme etc.
- m. Sale of material nature, of investments, subsidiaries, assets, which is not in the normal course of business;
- n. Quarterly details of foreign exchange exposures and the steps taken by the management to limit the risks of adverse exchange rate movement, if material;
- o. Non-compliance of any regulatory, statutory nature or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer, etc.

The Board has established procedures to enable the Board to periodically review compliance reports of all laws applicable to the Company, prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances, if any.

COMPOSITION OF THE BOARD AND THE DIRECTORSHIP(S) / COMMITTEE MEMBERSHIP(S) / CHAIRMANSHIP(S) HELD AS ON MARCH 31, 2021 IS AS FOLLOWS:									
Name and Designation of the Director	Category	Number of Board Meetings during 2020-21		Whether attended last AGM	No. of Directorships in other companies		No. of Committees positions in other Public Companies		
		Held	Attended		Chairman	Member	Chairman	Member	
VASUDEVAN MAHALINGAM	Executive chairperson and Managing Director	6	6	Yes	0	0	0	0	
MANIMALA VASUDEVAN	Executive Director	6	6	Yes	0	3	0	0	
VIVAKUMAR MADHAVAN	Executive Director	6	6	Yes	0	3	0	0	
AVN SRIMATHI	Non-Executive Independent Director	6	6	Yes	0	0	0	0	
SAMPATH	Non-Executive Independent Director	6	6	Yes	0	0	0	0	
RS CHANDAN	Non-Executive Independent Director	6	6	Yes	0	0	0	0	

Therefore, as on March 31, 2021, the Board consisted of 6 members, of which, one is the Promoter Director, Dr. M. Vasudevan, who is designated as Managing Director and Chief Executive Officer of the company.

Out of the other 5 Directors, three are Independent Non-Executive Directors including a women director, and two Whole-time Directors.

None of the Directors hold directorship in any other company including Listed Companies.

Ms. Manimala Vasudevan is the spouse of Dr. Vasudevan Mahalingam, Managing Director. None of the other Directors are related to each other.

### FREQUENCY AND LENGTH OF MEETING OF THE COMMITTEES OF THE BOARD AND AGENDA

The Chairman of each Committee of the Board, in consultation with the Chairman of the Board and appropriate members of the management determine the frequency and length of the meetings of the Committees and develop the Committees agenda. The agenda of the Committee meetings is shared with all the members of the Committee.

### Number of shares and convertible instruments held by non- executive directors

Mr. Pasupathi Raju holds 3100 shares, which is 0.02 % of the total shares. Mr. Pasupathi Raju resigned from the Board wef 10.09.2020. None of the other non-executive directors hold any equity shares or convertible instruments in the Company.

### RISK MANAGEMENT

The Company though not falling under top 500 companies based on market capitalization in terms of SEBI LODR 2015 has voluntarily established robust risk assessment and minimisation procedures, which are reviewed by the Board periodically. The Company has a structure in place to identify and mitigate the various risks that would be faced by it from time to time. The risks are reviewed periodically, new risks if any, are identified, assessed, and control measures are designed to put in place fixed timeline for mitigating the risk

### BOARD MEETINGS - FUNCTIONING AND PROCEDURE

**Board Meeting - Calendar:** The probable dates of the board meetings for the forthcoming year are decided in advance and published as part of the Annual Report.

**Board Meeting - Frequency:** The Board meets at least once a quarter to review the quarterly results and other items of the agenda. Whenever necessary, additional meetings are held. In case of business exigencies or urgency of matters, resolutions are passed by circulation.

The company effectively uses teleconferencing facilities to enable the participation of Directors who could not attend the meetings due to some exigencies.

**Board Meeting - Location:** The location of the Board meetings is informed well in advance to all the Directors. Each director is expected to attend the Board meetings.

**Board Meeting - Matters:** All divisions / departments of the company are advised to schedule their work plans in advance, particularly regarding matters requiring discussions / approval / decision of the Board / Committee meetings. All such matters are communicated



to the company Secretary in advance so that the same could be included in the Agenda for the Board / Committee meetings.

**Board material / Agenda distributed in advance:** The agenda for each board meeting is circulated in advance to the Board members. All material information is incorporated in the agenda facilitating meaningful and focused discussions in the meeting. Where it is not practicable to attach any document in the agenda, the same is tabled before the meeting. Every board member is free to suggest items for inclusion in the agenda.

**Presentations by management:** The Board is given presentations covering finance, sales, marketing, major business segments and operations of the company, global business environment including business opportunities, business strategy and the risk management practices before taking on record the financial results of the company.

**Access to employees:** The directors are provided free access to officers and employees of the company. Management is encouraged to invite the company personnel to any Board meeting at which their presence and expertise would help the Board to have a full understanding of the matters being considered.

**Availability of information to Board members:** The information placed before the Board includes annual operating plans and budgets, including operating and capital expenditure budgets, quarterly financial results of the company both consolidated and standalone basis, financials of each of the subsidiaries and investments made by the subsidiaries, risk assessment and minimization procedures, update on the state of the market for the business and the strategy, minutes of subsidiaries, minutes of all the Board committees, related party transactions, details of the treasury investments, details of foreign exchange exposure, update on statutory compliance report and reports of non-compliances, if any, information on recruitment / remuneration of senior officers, show cause / demand notices if any, details of joint ventures or collaboration agreements, significant changes in the accounting policies, sale of any material nature etc.

**Post meeting follow-up mechanism:** The guidelines for Board and Committee(s) meetings facilitate an effective post meeting follow up review and reporting process for the decisions taken by the Board and Committee(s) thereof. The important decisions taken at the Board / Committee(s) meetings are promptly communicated to the concerned departments / divisions.

Action taken report on the decisions of the previous meeting(s) is placed at the immediately succeeding meeting of the Board / Committee(s) for information and review by the Board / Committee(s).

## CODE OF CONDUCT

The Company has adopted the Code of Conduct for all its employees including the Managing Director and Executive Directors which is available in the website of the Company.

The Board has also adopted a Code of Conduct for Non-Executive Directors of the Company which incorporates the duties of the Independent Directors as laid down in Schedule IV to the Act which is available on the website of the Company.

All the Board Members and Senior Management Personnel (as per Regulation 26 (3) of the Listing Regulations) have affirmed compliance with the applicable Code of Conduct. A declaration to this effect signed by the Managing Director & CEO forms part of this report.

Senior management of the Company have made disclosures to the Board confirming that there are no material financial and/or commercial transactions between them and the Company that could have potential conflict of interest with the Company at large.

### **INDEPENDENT DIRECTORS**

All the Independent Directors of the Company have been appointed as per the provisions of the Act and SEBI LODR 2015 as amended. Formal letters of appointment have been issued to Independent Directors. The terms and conditions of their appointment are disclosed on the Company's website.

### **DECLARATION BY INDEPENDENT DIRECTORS**

Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The company has received necessary declarations from each Independent Director that he / she meets the criteria of independence in terms of the above-mentioned provisions.

It is confirmed that in the opinion of the board, the independent directors fulfill the conditions specified in the SEBI (LODR) Regulations and are independent of the management.

### **INDEPENDENT DIRECTORS' MEETINGS**

In terms of the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015, the Independent Directors of the company shall meet at least once in a year, without the presence of Executive Directors and members of management. The Independent Directors met on February 5, 2021 and inter-alia discussed

- the performance of non-Independent Directors and the Board as a whole;
- the performance of the Chairperson of the company, taking into account the views of Executive Directors and Non- Executive Directors; and
- 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.

### **FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS**

The Directors are provided with necessary documents, reports and internal policies to enable them to familiarize with the company's procedures and practices. Further, periodic presentations are made at the Board and its Committee Meetings, on business and performance updates of the company, global business environment, business strategy and risks involved. Quarterly updates on relevant statutory changes are provided to the Directors in the Board meetings.

Upon appointment, the Directors are issued a Letter of Appointment setting out in detail the terms of employment including their roles, function, responsibilities and their fiduciary duties as a Director of the company.

The details of such familiarization programme for Independent Directors are posted on the website of the company and are available at <https://www.calsof.com/investor>

## **SKILLS, EXPERTISE AND COMPETENCIES OF THE BOARD**

The Board of Directors has, based on the recommendations of the Nomination and Remuneration Committee ('NRC'), identified the following core skills/expertise/competencies of Directors as required in the context of business of the Company and the sector in which it operates for its effective functioning:

**Skills/ expertise /competencies available with the Board and the Names of directors who have such skills / expertise / competence**

Name of Director	Skills/ expertise /competencies possessed
VASUDEVAN MAHALINGAM	All the Directors possess the required Management skills and has expertise on knowledge of IT Industry and its operations and technology developments and has the ability to run the business to the expectations of the stakeholders. Ability to closely follow the competitive business environment and implementation of strategies for the beneficial performance and compliance with the requirements of various statutes.
MANIMALA VASUDEVAN	
VIJAYAKUMAR MADHAVAN	
AVN SRIMATHI	
SAMPATH	
RS CHANDAN	

**BOARD EVALUATION (including performance evaluation criteria for independent directors)**

The Board of Directors, pursuant to the provisions of the Companies Act, 2013 and Regulation 17 (10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has carried out an Annual Evaluation of its own performance, performance of the Board Committees and of the individual Directors (including the Independent Directors and the Chairperson).

The checklist for evaluation of the performance of the Board, the Committees of the Board and the individual Directors, including the Chairman of the Board was approved by the Nomination and Remuneration Committee (NRC) of the company (in accordance with the Guidance Note on Board Evaluation issued by SEBI on January 5, 2017).

The performance of the Board was evaluated by the Board after seeking inputs from all the directors based on the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc. The performance of the Board Committees was evaluated by the Board after seeking inputs from the committee members based on the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the NRC reviewed the performance of the individual Directors based on the criteria such as the contribution of the individual Director to the Board and Committee meetings, preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of the Independent Directors, the performance of Non-Independent Directors, performance of the Board and performance of the Chairman was evaluated. The same was discussed in the Board meeting that followed the meeting of the Independent Directors, at which the performance of the Board, its committees and the individual directors was discussed.

## AUDIT COMMITTEE

### Terms of reference

The Audit Committee functions in accordance with Section 177 of the Act, Regulation 18 of the Listing Regulations and its Charter adopted by the Board. During the year under review, the Audit Committee Charter was amended to align the role of the Committee with amendments to the Listing Regulations and SEBI (Prohibition of Insider Trading) Regulations, 2015. The terms of reference of the Audit Committee, inter alia, includes:

- Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Discuss and review with the management the annual/ half yearly/ quarterly financial statements and the auditor's report thereon, before submission to the Board for approval.
- Review of the Company's accounting policies, internal accounting and financial controls, risk management policies and such other matters.
- Discuss with the statutory auditors, before the audit commences, about the nature and scope of audit, as well as post-audit discussion to ascertain any area of concern.
- Hold timely discussions with the statutory auditors regarding critical accounting policies and practices and significant financial reporting issues and judgments made.
- Recommend to the Board the appointment, re-appointment and, if required, the replacement or removal of statutory auditors, remuneration and terms of appointment of auditors, fixation of audit fees and to approve payment for any other services rendered by the statutory auditors.
- Review and monitor the auditor's independence, qualification and performance and effectiveness of audit process.
- Review with the management, performance of the statutory and internal auditors.
- Review the adequacy of the internal audit function and the adequacy and efficacy of the internal control systems, including the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, budget, coverage and frequency of internal audit.
- Evaluate internal financial controls and risk management systems.
- Scrutinize inter-corporate loans and investments.

- Review the utilization of loans and/or advances from/ investment by the Company in the subsidiary Companies, exceeding Rs. 100 crores or 10% of the asset size of the subsidiary, whichever is lower.
- Discuss any significant findings with internal auditors and follow-up thereon.
- Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board.
- Look into the reasons for substantial defaults in payments to depositors, debenture holders, shareholders and creditors.
- Approve transactions, including any subsequent modifications, of the Company with related parties.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Review and monitor the statement of use and application of funds raised through public offers and related matters.
- Review the functioning of the Whistle Blower mechanism.
- Review the effectiveness of the system for monitoring compliance with laws and regulations and oversee compliance with legal and regulatory requirements, including the Tata Code of Conduct for the Company and its subsidiaries.
- Provide guidance to the Compliance Officer for setting forth policies and implementation of the Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices.
- Review compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, atleast once in a financial year and verify that the systems for Internal Controls are adequate and are operating effectively.
- Oversee financial reporting controls and process for subsidiary companies.
- Approve the appointment of the Chief Financial Officer after assessing the qualifications, experience and background of the candidate.
- Generally, all items listed in Part C of Schedule II to the Listing Regulations and in Section 177 of the Act and any other function as is mentioned in the terms of reference of the Audit Committee.

## MEETINGS HELD

During the financial year 2020-2021, the Audit Committee met five times on May 14, 2020, August 26, 2020, October 13, 2020 and February 5, 2021. The gap between the two Audit Committee meetings did not exceed 120 days. Necessary quorum was present at the above meetings. The meetings of the Audit Committee are usually attended by the Managing Director & CEO, the Chief Financial Officer, and a representative of the Statutory Auditors. The Business and Operation Heads are invited to the Meetings, when required. The Company Secretary acts as the Secretary to the Committee. Occasionally, the Audit Committee also

meets without the presence of any Executives of the Company. The Chairperson periodically has one-on-one meetings with the Statutory Auditors to discuss key concerns.

Composition and attendance during the year					
AUDIT COMMITTEE MEETINGS AND COMPOSITION					
Directors	14-05-2020	26-08-2020	13-10-2020	05-02-2021	Remarks
Mrs. Keerti Saraswat [Non Executive Independent Director, Chairperson]	✓	✓	NA	NA-	Resigned from Board wef 22.09.2020
Mrs. AVN Srimathi [Non Executive Independent Director, Chairperson]	✓	✓	✓	✓	Appointed as Chairman of the Committee upon cessation of Mrs. Keerti Saraswat
Mr. Pasupathy Raju [Non Executive Independent Director]	✓	✓	NA	NA	Resigned from Board wef 10.09.2020
Mr. Sampath [Non Executive Independent Director]	✓	✓	✓	✓	-
Mr. R S Chandan [Non Executive Independent Director]	NA	NA	✓	✓	Appointed wef 26.08.2020

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.

#### **NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee comprises of three Non-Executive Independent Directors as on 31st March 2021 as mentioned below. The Chairman of the Committee is an Independent Director.

- Mrs. AVN Srimathi - Non-Executive - Independent Director - Chairman
- Mr. Sampath - Non-Executive - Independent Director
- Mr. R S Chandan - Non-Executive - Independent Director

The role of the Remuneration Committee is: To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down;

- a) To recommend to the Board the appointment and removal of such identified persons;
- b) To carry out evaluation of every director's performance;
- c) To formulate the criteria for determining qualifications, positive attribute, and independence of director;
- d) To formulate a policy relating to remuneration for directors, key managerial personnel and other employees;
- e) To devise a policy on Board diversity;
- f) The Committee has met 3 times during the financial year 2020-21 on May 14, 2020, August 26, 2020 and February 5, 2021



## NOMINATION AND REMUNERATION COMMITTEE MEETINGS AND COMPOSITION

Directors	14-05-2020	26-08-2020	05-02-2021	Remarks
Mrs. Keerti Saraswat [Non Executive Independent Director, Chairperson]	✓	✓	NA	Resigned from Board wef 22.09.2020
Dr. Pasupathy Raju [Non Executive Independent Director]	✓	✓	NA	Resigned from Board wef 10.09.2020
Mrs. AVN Srimathi [Non Executive Independent Director, Chairperson]	✓	✓	✓	Appointed as Chairman of the Committee upon cessation of Mrs. Keerti Saraswat -
Mr. Sampath [Non Executive Independent Director]	✓	✓	✓	
Mr. R S Chandan [Non Executive Independent Director]	NA	NA	✓	Appointed wef 26.08.2020

The Terms of Reference of the Nomination and Remuneration Committee are as under:

- Succession planning for certain key positions in the company viz. Directors, Chief Executive Officer (CEO), Chief Operating Officer (COO), Chief Financial Officer (CFO) and Senior Management. The Committee to identify, screen and review candidates, inside or outside the company and provide its recommendations to the Board.
- Review and recommend to the Board the appointment and removal of directors / Key Managerial Personnel and persons in senior management. "Senior Management" shall mean corporate officers of the company.
- Carry out evaluation of all Directors and Board performance.
- Recommend to the Board a policy relating to remuneration of Directors, Key Managerial Personnel and other employees.

The Nomination and Remuneration Committee while formulating the aforesaid policy shall 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;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- Remuneration to Directors, Key Managerial Personnel 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.
- Formulate the criteria for determining the qualifications, positive attributes and independence of Directors.
- Devise a Policy on Board Diversity.
- Review and approve / recommend the remuneration for the Corporate Officers, / Whole-Time Directors of the company.
- Approve inclusion of senior officers of the company as Corporate Officers.
- Approve promotions within the Corporate Officers.
- Regularly review the Human Resource function of the company.
- Approve grant of stock options to the employees and / or Directors (excluding Independent Directors and Promoter Directors) of the company and subsidiary companies and perform such other functions and take such decisions as are required under the various Employees Stock Option Plans of the company.
- Discharge such other function(s) or exercise such power(s) as may be delegated to the Committee by the Board from time to time.
- Make reports to the Board as appropriate.

- Review and reassess the adequacy of this charter periodically and recommend any proposed changes to the Board for approval from time to time.

#### **POLICY ON SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION**

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his/her appointment, as per Company's Policy;
- b) The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient/satisfactory for the position;
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years, provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution;

#### **REMUNERATION POLICY AND CRITERIA OF MAKING PAYMENTS TO EXECUTIVE AND NON-EXECUTIVE DIRECTORS**

The remuneration policy of the company is aimed at rewarding performance, based on a review of achievements on a regular basis and is in consonance with existing industry practices. The criteria for making payments to Executive and Non-Executive Directors of the company are as under:

##### **Executive Directors**

The remuneration of the Executive Directors is recommended by the Nomination and Remuneration Committee to the Board and after approval by the Board the same is put up for shareholders' approval. Executive Directors do not receive any sitting fees for attending the Board and Committee meetings. During the year, only one Executive Director received remuneration from the Company. There are no separate provisions for the service of notice period and payment of severance fee by the Executive Directors at the time of their termination. No stock options are issued to any director.

**Non-Executive Directors:**

During the year, the company did not pay any sitting fees to its Non- Executive Directors for attending the meetings of the Board of Directors, Audit Committee and Finance Committee of the company. The company also not paid commission to its Non-Executive Directors.

## Yearly Remuneration paid to executive directors

Name & Designation of the Executive Director	Salary & Allowances (rs.)	Contribution to PF & other Funds (Rs.)	Other perquisites or benefits including medical expenses reimbursed and car facility provided (Rs.)	Total
Mr.Vijayakumar Madhavan	10,00,000	NIL	NIL	10,00,000

**There are no pecuniary relationship or transactions of the non-executive directors vis-à-vis the listed entity**

**SUCCESSION PLANNING**

The Nomination and Remuneration Committee evaluates and recommends to the Board on the leadership succession plan to ensure orderly succession in appointments to the Board and to the Senior Management. In addition promoting senior management within the organization fuels the ambitions of the talent force to earn future leadership roles.

**STAKEHOLDERS'RELATIONSHIPCOMMITTEE (FORMERLY KNOWN AS SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE)**

The Company has a Stakeholders Grievance Committee (formerly known as Shareholders'/Investors' Grievance Committee) of the Board of Directors to look into the redressal of complaints of shareholders'/investors' such as transfer or credit of shares, non-receipt of dividend/notices/annual reports, etc.

During the year, the Stakeholders Grievance Committee (formerly known as Shareholders'/Investors' Grievance Committee) comprises of four members of the Board, as on 31st March 2021 namely Dr. Vasudevan Mahalingam, Mrs. AVN Srimathi, Mr. Sampath and Mr. RS Chandan. Among the members, three of them are Non-Executive and Independent Directors and one Executive Director. Mr. Uma Shankar, Company Secretary, acts as the Secretary of the Committee.

The Committee has met 4 times during the financial year 2020-21 on May 14, 2020, August 26, 2020, October 13, 2020, and February 5, 2021

## STAKEHOLDERS RELATIONSHIP COMMITTEE MEETINGS AND COMPOSITION

Directors	14-05-2020	26-08-2020	13-10-2020	05-02-2021	Remarks
Mrs. Keerti Saraswat [Non- Executive Independent Director, Chairperson]	✓	✓	NA	NA	Resigned from Board w.e.f 22.09.2020
Dr. Pasupathy Raju [Non -Executive Independent Director]	✓	✓	NA	NA	Resigned from Board w.e.f10.09.2020
Dr. Vasudevan Mahalingam [Executive Director]	✓	✓	✓	✓	-
Mrs. AVN Srimathi [Non-Executive Independent Director, Chairperson]	✓	✓	✓	✓	Appointed as Chairperson of the Committee upon cessation of Mrs. Keerti Saraswat
Mr. Sampath [Non - Executive Independent Director]	✓	✓	✓	✓	
Mr. R S Chandan [Non -Executive Independent Director]	NA	NA	✓	✓	Appointed w.e.f 26.08.2020

**TERMS OF REFERENCE:**

The Committee supervises the mechanism for redressal of shareholders'/investors' grievances and ensures cordial investor relations.

The Committee takes care of the following matters:

- Redressal of Shareholders'/Investors' complaints like transfer of shares, non-receipt of annual report, non-receipt of declared dividend etc.
- Scrutiny of the performance of the Registrar & Share Transfer Agent and recommending measures for overall improvement of the quality of service.
- Any allied matter(s) out of and incidental to these functions and not herein above specifically provided for

**Details of Complaints received during the year**

Number of complaints received from investors	-	0
Number of complaints resolved	-	0
Number of complaints remaining unresolved and pending	-	0
Number of complaints not solved to the satisfaction of shareholders	-	0

**NATURE OF COMPLAINTS RECEIVED AND REDRESSED DURING 2020-21**

SL. NO.	NATURE OF COMPLAINTS	RECEIVED & REDRESSED DURING THE YEAR
1	Correspondence regarding demat / general	0
2	Correspondence regarding non-receipt of share certificate, transfer / transmission of shares	0
3	Revalidation of dividend warrants / non-receipt of dividend warrants / status of dividend payment	0

**Compliance Officer**

The Name and designation of the Compliance Officer of the Company:

Mr. Uma Shankar Sharma,  
 Company Secretary & Compliance Officer  
 Workflo, Greeta Towers, Industrial Estate,  
 Perungudi OMR Phase 1,  
 Chennai - 600096  
 Ph: 9884223183  
 Email ID: [shankar\\_mayur@hotmail.com](mailto:shankar_mayur@hotmail.com)

## OTHER COMMITTEES

Risk Management Committee, Finance Committee and CSR Committee were dissolved due to non requirement of those Committees. However when the need arise in future the same shall be reconstituted by the board.

## INDEPENDENT DIRECTORS MEETING

During the year under review, the Independent Directors met one time during the year inter alia, to discuss:

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.

## DECLARATION BY INDEPENDENT DIRECTORS

Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The company has received necessary declarations from each Independent Director that he / she meets the criteria of independence in terms of the above-mentioned provisions.

## TRAINING AND FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

The Directors are provided with necessary documents, reports and internal policies to enable them to familiarize with the company's procedures and practices. Further, periodic presentations are made at the Board and its Committee Meetings, on business and performance updates of the company, global business environment, business strategy and risks involved. Quarterly updates on relevant statutory changes are provided to the Directors in the Board meetings.

Upon appointment, the Directors are issued a Letter of Appointment setting out in detail the terms of employment including their roles, function, responsibilities and their fiduciary duties as a Director of the company.

Every independent director on being inducted into the Board attends an orientation program. To familiarise the new directors with the strategy, operations and functions of our Company, the executive directors/ senior managerial personnel make presentations to the inductees about the Company's strategy, operations, product offerings, organisation structure, human resources, technologies, facilities and risk management.

Further, at the time of appointment of independent directors, the Company issues a formal letter of appointment outlining his/her role, functions, duties and responsibilities as a director. The detailed familiarisation program for independent directors is hosted on the website of the Company and the weblink for same is [www.calsoftgroup.com](http://www.calsoftgroup.com)

The details of such familiarization programme for Independent Directors are posted on the website of the company and are available at <https://www.calsof.com/investor>

### PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, an annual performance evaluation of the performance of the Board, the Directors individually as well as the evaluation of the working of the Board Committees was carried out based on the criteria and framework adopted by the Board.

The Independent Directors evaluation was done with main focus on their adherence to the Corporate Governance practices and their efficiency in monitoring the same. They are also being evaluated on various parameters viz., active participation in strategic planning, fiduciary responsibilities, participation in Board and Committee meetings, etc.,

Apart from the above, the performance of Non Independent Directors and the Board as a whole in terms of prudent business practices adopted by them towards governance of the operations of the Company, adherence to the highest standards of integrity and business ethics, exercising their responsibilities in bona fide manner in the best interest of the Company and not allowing any extraneous consideration that shall impede their decision making authority in the best interest of the Company was also carried out to evaluate their performance.

The performance evaluation of the Non Independent Directors was carried out by the entire Board of Directors (excluding the director being evaluated). The Directors expressed their satisfaction with the evaluation process which considered their commitment and the exercise of their responsibilities in the best interest of the Company. The performance of the Chairman of the Company was reviewed by the Independent Directors who ensured during their review, that the Chairman conducted the Board proceedings in unbiased manner without any conflict with his personal interest at any point of time. It was further ascertained by the Independent Directors that the Chairman allowed the Board Members to raise any concerns on any businesses of the Board during their Meetings and addressed them at the best interest of the Company.



**SUBSIDIARY COMPANIES**

Regulation 16(1)(c) of the Listing Regulations defines a material subsidiary as a subsidiary, whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year. During the year under review, the Company did not have any unlisted material subsidiary incorporated in India and was therefore, not required to have an Independent Director of the Company on the Board of such subsidiary, under Regulation 24 of the Listing Regulations. The Company's Audit Committee reviews the consolidated financial statements of the Company as well as the financial statements of the subsidiaries, including the investments made by the subsidiaries. The minutes of the Board Meetings, along with a report of the significant transactions and arrangements of the unlisted subsidiaries of the Company are periodically placed before the Board of Directors of the Company. The company has formulated and adopted a Policy for determining Material Subsidiary in line with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Policy aims to set out the principles for determining a material subsidiary. The Policy on the Material Subsidiary is available on the website of the company at <https://www.calsof.com/investor>.

## GENERAL BODY MEETINGS

The location and time of the Annual General Meetings/ Extra General Body Meeting held and details of Special Resolution passed thereat during the preceding 3 years are as follows:

DATE, TIME AND VENUE OF THE LAST THREE AGM'S			
FINANCIAL YEAR	DATE	TIME OF COMMENCEMENT	VENUE
2017-18	29 <sup>th</sup> September, 2018	3.00 P.M.	2nd Floor, Unit 9, STPI Building, 5 Rajiv Gandhi Road, Taramani, Chennai - 600113
2018-19	30 <sup>th</sup> September, 2019	3.00 P.M.	2nd Floor, Unit 9, STPI Building, 5 Rajiv Gandhi Road, Taramani, Chennai - 600113
2019-20	30 <sup>th</sup> September, 2020	5.00 P.M.	2nd Floor, Unit 9, STPI Building, 5 Rajiv Gandhi Road, Taramani, Chennai - 600113

At the Annual General Meeting of the Company held on 30<sup>th</sup> September 2018 the following special resolution was passed as follows :-

1. Appointment of Dr. Mahalingam Vasudevan as Managing Director and Chief Executive Officer.
2. 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)

At the Annual General Meeting of the Company held on 30<sup>th</sup> September 2020 the following special resolution was passed as follows :-

1. Approval for Material Related Party Transaction.

No Postal Ballots were conducted by the Company during the year 2020-21.

There was no Extra Ordinary General Meeting of the Company held during the year 2020-21.

## DISCLOSURES

### MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS

There have been no materially significant related party transactions, monetary transactions or relationships between the company and its Directors, management, subsidiary or relatives, except for those disclosed in the financial statements for the financial year 2020-21. Detailed information on materially significant related party transactions is enclosed in Annexure 2 to the Board Report. A Policy on Related Party Transactions formulated pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into by the company with the Stock Exchanges and approved by the Board is available on the website of the company at <https://www.calsof.com/investor>

During the year under review, the company has not entered into any transaction of a material nature with its subsidiaries, promoters, Directors, the management, senior management personnel, their relatives, etc., that may have any potential conflict with the interest of the company. The company has obtained requisite declarations from all Directors and senior management personnel in this regard and the same were placed before the Board of Directors.

### COMPLIANCES BY THE COMPANY

The company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years. No penalties or strictures have been imposed on the company by the Stock Exchanges, SEBI or any other statutory authorities relating to the above.

The company has complied with all requirements of SEBI (LODR) Regulations, 2015 relating to disclosures to be made in the corporate governance report.

All requisite disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (LODR) Regulations, 2015, as applicable, have been made in this report.

### OTHER DISCLOSURES

1. The company has in place the Whistle Blower Policy and no personnel has been denied access to the Audit Committee.
2. During the year, the company did not raise any money through public issue, right issues or preferential issues and there was no unspent money raised through such issues.
3. In terms of the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company has in place an "Archival Policy" and a "Policy for Determination of Materiality of Events or Information". Both the policies are available on the website of the company at <https://www.calsof.com/investor>
4. A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is annexed to this report.

## CEO / CFO CERTIFICATION

The Certificate as stipulated in Regulation 17 (8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Part B of Schedule II was placed before the Board along with the financial statements for the financial year ended March 31, 2021 and the Board reviewed the same. The said Certificate is provided elsewhere in the Annual Report.

## WHISTLE BLOWER POLICY

The principles of trust through transparency and accountability are at the core of the company's existence. To ensure strict compliance with ethical and legal standards across the company, a Whistle Blower Policy is in place to provide appropriate avenues to the Directors, employees, contractors, contractors' employees, clients, vendors, internal or external auditors, consultants, law enforcement / regulatory agencies or other third parties to bring to the attention of the management any issues which are perceived to be of unethical behaviour, actual or suspected fraud or violation of the company's Code of Business Ethics and Conduct. All cases registered under the Whistle Blower Policy of the company are reported to the external Ombudsperson who carries out preliminary investigations. Complaints received against senior management staff are overseen by the Chairman's Office and those against other employees / staff by the Chief Ethics Officer of the company. The Whistle Blower has direct access to the Chief Ethics Officer and the Ombudsperson as well as the senior management to share complaint details. The identity of the Whistle Blower is kept confidential. The Audit Committee reviews the policy and its implementation on periodic basis and is provided a quarterly update on the status of various complaints received and investigated. The policy is available on the website of the company at

## CODE FOR PREVENTION OF INSIDER TRADING

SEBI vide its Circular No. LD-NRO/GN/2014-15/21/85 dated 15th January, 2015 have introduced SEBI (Prohibition of Insider Trading) Regulations, 2015, effective from 15th May 2015. Regulation 8 contained under Chapter IV of SEBI (Prohibition of Insider Trading) Regulations, 2015 mandates listed companies to formulate a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (hereinafter referred to as "Code") and Regulation 9 (1) contained under Chapter IV of SEBI (Prohibition of Insider Trading) Regulations, 2015 mandates listed companies to formulate a Code of Conduct (hereinafter referred to as "Code") to regulate, monitor and report trading by its employees and other connected persons, towards achieving compliance with the said Regulations, adopting the minimum standards, set out in Schedule B to the Regulations. In compliance with the above SEBI regulation on Prevention of Insider Trading, the Company has instituted a comprehensive code of conduct and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information for its management and staff. The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of the Company and cautioning them of the consequences of violations. Dealings in Company's shares by the Board Members and Senior Management Personnel have been reported to the Committee periodically.

The company, within two working days of receipt of the information under the Initial and Continual disclosures from Directors, discloses the same to all the Stock Exchanges, where the shares of the company are listed.

## FEES PAID TO STATUTORY AUDITOR

A total fee of one lakh- was paid by the Company and its subsidiaries, on a consolidated basis, for all services to N Balasubramanian & Associates, Statutory Auditors.

## PREVENTION AND REDRESAL OF SEXUAL HARASMENT AT WORKPLACE POLICY

In order to provide a safe and healthy work environment free of any hassles and all kinds of harassment including sexual harassment and to prevent and redress such harassment complaints, the company has in place Prevention and Redressal of Sexual Harassment at Workplace Policy. This policy applies to all employees of the company, its group companies and joint ventures operating out of India like regular, temporary, ad hoc, daily wagers, contractual staff, vendors, clients, consultants, trainees, probationers, apprentices, contract labour and also all visitors to the company.

Any complaints about harassment shall be treated under this Policy. This Policy is not confined to the actual working place of the employees in the sense of the physical space in which paid work may be performed as per the prescribed duty hours but also includes any place visited by the employee arising out of or during the course of employment. The company has constituted a committee for the redressal of all sexual harassment complaints. These matters are also being reported to the Audit Committee. During the year ended March 31, 2021, the company has received zero complaints on sexual harassment that were classified as significant incidents for investigation, all of which were disposed and appropriate actions taken and no complaints remain pending as of March 31, 2021.

- a. number of complaints filed during the financial year - Nil
- b. number of complaints disposed of during the financial year - NIL
- c. number of complaints pending as on end of the financial year. - NIL

## COMPLIANCE WITH MANDATORY AND NON-MANDATORY REQUIREMENTS OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 provides certain mandatory requirements which have to be fulfilled by the company. The company has complied with all the mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 further states certain nonmandatory requirements which may be implemented as per the discretion of the company. The company complies with the following non-mandatory requirements:

### 1. Shareholders' Rights

The Company regularly does statutory filings as required under in SEBI (LODR) Regulations, 2015 and also updates the website of the Company on regular basis. The financial results as when approved by the Board are hosted in the investor column of the Company's website from which any shareholders can easily access and obtain the requisite information on the Company.

## 2. Audit Qualifications

The Auditors Qualification and the Directors Responses to the same are covered in the Directors Report already.

## 3. Separate posts of CFO and CEO

The positions of the CFO and the CEO are held by separate individuals.

## 4. Reporting of Internal Auditor

The Internal Auditor of the company directly reports to the Audit Committee on functional matters.

## 5. Compliance Certificate regarding compliance of conditions of corporate governance from the Auditors or practicing company secretaries

The certificate dated July 31,2021 obtained from Mr. N. Ramanathan, Partner at M/s. S Dhanapal & Associates, Practising Company Secretaries, Chennai, confirming compliance with the Corporate Governance requirements as stipulated under Schedule V read with Regulation 34 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed hereto.

## MEANS OF COMMUNICATION

**Quarterly Results:** Quarterly Results of the company are generally published inter alia, in MakkalKural and Trinity Mirror

**Website:** company's corporate website [www.calsoftgroup.com](http://www.calsoftgroup.com) provides comprehensive information on company's portfolio of businesses. The website has an entire section dedicated to company's profile, its core values, corporate governance, business lines and Industry sections. An exclusive section on 'Investors' enables them to access information at their convenience. The entire Reports as well as quarterly, half yearly, annual financial statements, releases and shareholding pattern are available in downloadable format as a measure of added convenience to the investors.

News Releases, Presentations, etc.: Official news releases, detailed presentations made to media, analysts, institutional investors, etc. are displayed on the company's website [www.calsoftgroup.com](http://www.calsoftgroup.com), Official media releases are also sent to the Stock Exchanges.

**Annual Report:** Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Director's Report, Auditor's Report, Management Discussion and Analysis Statement, Corporate Governance Report and other important information is circulated to members and others entitled thereto. The Annual Report of the company is available on the company's website in a user-friendly and downloadable form.

**Intimation to the Stock Exchanges:** The company intimates the Stock Exchanges all price sensitive information or such other matters which in its opinion are material and of relevance to the Shareholders.

**NSE Electronic Application Processing System:** As per the mandate received from National Stock Exchange of India Limited ('NSE'), the company has been uploading its financial information, shareholding pattern, Report on Corporate Governance and press releases on the dedicated website of NSE i.e. <https://connect2nse.com/LISTING>.

**Online Portal-BSE Corporate Compliance & Listing Centre:** As per the mandate received from BSE Limited ('BSE'), the company has been uploading its financial information, shareholding pattern, Report on Corporate Governance and press releases on the dedicated website of BSE i.e. <http://listing.bseindia.com>

**Designated Exclusive email- id:** The Company has the following designated e-mail ID: [investors@calsoftgroup.com](mailto:investors@calsoftgroup.com) exclusively for investors servicing.

## GENERAL SHAREHOLDER INFORMATION

a	Annual General Meeting: Date Time Venue	Wednesday, August 25, 2021 4:00 P.M. Registered Office
b	Financial Year 01st April 2020 to 31st March 2021	
c	Date of Book Closure	August 24, 2021 to August 25, 2021 (both days inclusive)
d	Dividend Payment Date (subject to approval of shareholders)	N.A.
e	Listing of Equity Shares on stock exchanges in India	The National Stock Exchange of India Ltd. (NSE) Exchange Plaza, 5th Floor, Plot No. C / 1, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400 051, India. Tel.: +91-22-26598236, Fax: +91-22-26598237  BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001, India Tel.: +91-22-22721233, Fax: +91-22-22723121
f	Stock Codes	NSE – CALSOFT BSE – 532386
g	ISIN for Equity Shares	INE526B01014
h	Listing of Non-Convertible Debentures on stock exchanges in India	N.A.
i	Debenture Trustee	N.A.
j	ISIN for Debentures	N.A.
k	Listing Fees	Paid to all Stock Exchanges for the year 2020-21
l	Corporate Identification Number (CIN) of the Company	L72300TN1992PLC022135
m	Registered Office	Workflo, Greta Towers, Industrial Estate, Perungudi OMR Phase 1, Chennai-600096



**STOCK MARKET PRICE DATA**

The details of monthly high and low price of the Equity Shares of the company and its comparison to broad based indices BSE Sensex and NSE Nifty for period April 1, 2020 to March 31, 2021 are as follows:

Month	NSE		BSE	
	High	Low	High	Low
<b>Apr-20</b>	12.30	7.60	12.40	7.55
<b>May-20</b>	9.00	7.25	9.05	7.35
<b>Jun-20</b>	11.10	7.50	10.90	7.57
<b>Jul-20</b>	10.00	7.60	10.49	7.82
<b>Aug-20</b>	14.75	7.35	14.93	7.40
<b>Sep-20</b>	13.35	6.95	13.49	7.74
<b>Oct-20</b>	11.00	6.65	11.00	6.25
<b>Nov-20</b>	10.10	8.30	9.69	8.45
<b>Dec-20</b>	12.30	9.20	12.32	9.24
<b>Jan-21</b>	11.50	8.50	11.54	8.30
<b>Feb-21</b>	9.45	8.65	9.50	8.61
<b>Mar-21</b>	9.95	8.05	9.90	8.06

PERFORMANCE OF THE SHARE PRICE OF THE COMPANY IN COMPARISON WITH BSE SENSEX AND NSE NIFTY



**REGISTRARS AND TRANSFER AGENTS**

Name and Address :

IntegratedRegistryManagementServicesPrivateLimited  
 (Unit:CaliforniaSoftwareCoLtd)  
 2ndFloor,KencesTowers,  
 1,RamakrishnaStreet,NorthUsmanRoadT Nagar,  
 Chennai -600017India  
Tel:+91-44-28140801to28140803  
Email:yuvraj@integratedindia.in

**INVESTOR CORRESPONDENCE ADDRESS**

California Software Company Limited  
 Secretarial Department  
 Workflo, Greeta Towers,  
 Industrial Estate,  
 Perungudi OMR Phase 1,Chennai-600096

**SHARE TRANSFER SYSTEM**

More than 99 % of the equity shares of the company are in dematerialized form. Transfer of these shares is done through the depositories with no involvement of the company. For the transfer of shares held in physical form, the authority has been delegated to the company's officials who generally consider and approve the share transfer requests on a fortnightly basis.

The shares sent for physical transfer are generally registered and returned within a period of 15 days from the date of receipt of request, subject to documents being valid and complete in all respects. As per the requirement of Regulation 40 (9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company has obtained half-yearly certificates from Practicing company Secretary for due compliance of share transfer formalities and filed the same with the Stock Exchanges.

As on March 31, 2021, no equity share was pending for transfer.

**RECONCILIATION OF SHARE CAPITAL AUDIT REPORT**

As required under Regulation 55A of SEBI (Depositories and Participants), Regulations, 1996, the reconciliation of share capital audit report on the total admitted capital with National Securities Depository Limited ("NSDL") and Central Depository Services (India) Ltd. ("CDSL") and the total issued and listed capital for each of the quarter in the financial year ended March 31, 2021 was carried out.

The audit reports confirm that the total issued / paid-up share capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

## Shareholding as on March 31, 2021

## DISTRIBUTION OF EQUITY SHAREHOLDING AS ON MARCH 31, 2021

SI No	No. of Shares Held	Shareholders		Shares held	
		Number	%	Number	%
1	Upto 500	5220	78.59	614109	3.97
2	501 - 1000	613	9.23	514660	3.33
3	1001 - 2000	301	4.53	465848	3.01
4	2001 - 3000	130	1.96	337391	2.18
5	3001 - 4000	63	0.95	226743	1.47
6	4001 - 5000	69	1.04	319647	2.07
7	5001 - 10000	113	1.70	836549	5.41
8	10001 and above	133	2.00	12142159	78.55
<b>**Total**</b>		<b>6642</b>	<b>100.00</b>	<b>15457106</b>	<b>100.00</b>

## CATEGORIES OF EQUITY SHAREHOLDING AS ON MARCH 31, 2021

Sl No	Category	Number	Shares	% of Shares Held
1	Promoters	1	5522972	35.73
2	Institutions	1	300	0.00
3	Body Corporate	31	1911741	12.37
4	Individual Shareholders holding Nominal Share Capital upto Rs.1 Lakhs	6448	3227176	20.88
5	Individual Shareholders holding Nominal Share Capital in excess of Rs.1 Lakhs	123	4622842	29.91
6	Clearing Member	32	157922	1.02
7	Limited Liability Partnership	2	14000	0.09
8	Margin Trading Account-Corporate	3	53	0.00
9	Trust	1	100	0.00
	<b>Total</b>	<b>6642</b>	<b>15457106</b>	<b>100.00</b>

## CODE OF BUSINESS ETHICS AND CONDUCT

The Board has prescribed a Code of Business Ethics and Conduct (COBEC) that provides for transparency, ethical conduct, a gender friendly workplace, legal compliance and protection of company's property and information. COBEC is a set of guiding principles and covers all directors, employees, third party vendors, consultants and customers across the world. For Independent Directors the COBEC also includes duties as mentioned in Schedule IV of the Companies Act, 2013. COBEC is periodically reviewed taking into account the prevailing business and ethical practices.

The Code is posted on the website of the company at <https://www.calsof.com/investor>

All Board members and senior management personnel have confirmed compliance with the Code for the financial year ended March 31, 2021. A declaration to this effect signed by the Managing Director and Chief Executive Officer of the company is provided elsewhere in this Report.

## DISCLOSURE OF ACCOUNTING TREATMENT IN PREPARATION OF FINANCIAL STATEMENTS

The Company has followed the guidelines of accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

## DEMATERIALISATION OF SHARES AND LIQUIDITY

The shares of the company are under compulsory dematerialization ("Demat") category and consequently, shares of the company can be traded only in electronic form.

The system for getting the shares dematerialized is as under:

- a. Share certificate(s) along with Demat Requisition Form (DRF) is to be submitted by the shareholder to the Depository Participant (DP) with whom he / she has opened a Depository Account.
- b. DP processes the DRF and generates a unique number viz. DRN.
- c. DP forwards the DRF and share certificates to the company's Registrar & Shares Transfer Agent.
- d. The company's Registrar & Shares Transfer Agent after processing the DRF confirms or rejects the request to the Depositories.
- e. Upon confirmation, the Depository gives the credit to shareholder in his / her depository account maintained with DP.

As on March 31, 2021, more than 99 % of the equity shares issued by the company are held in dematerialized form. The company's equity shares are regularly traded on NSE and BSE, in dematerialized form.

Since the trading in the shares of the company can be done only in electronic form, it is advisable that the shareholders who have the shares in physical form get their shares dematerialized.

S. No.	Particulars	No. of Shares	% of total issued capital
1	Listed Capital	1,54,57,106	100
2	Held in Dematerialisation form - NSDL	1,12,02,223	72.47
3	Held in Dematerialisation form - CDSL	41,56,673	26.89
4	Physical shares	98,210	0.64

#### **OUTSTANDING GDRS / ADRS / WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY**

As of March 31, 2021 the company has not issued any GDRs / ADRs / Warrants or other instruments, which are pending for conversion.

#### **COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES**

The Company does not carry out any hedging activities or has any forex exposure.

#### **PLANT LOCATIONS**

The Company operates only from one location which is its registered office located at Workflo, Greeta Towers, Industrial Estate, Perungudi OMR Phase 1, Chennai - 600096

#### **ADDRESS FOR CORRESPONDENCE**

Mr. Vijayakumar M Executive Director  
California Software Company Limited  
Workflo, Greeta Towers, Industrial Estate,  
Perungudi OMR Phase 1, Chennai – 600096

#### **DETAILS OF DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT - NIL**

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

This is to confirm that the Company has adopted a Code of Conduct for the members of the Board and the Senior Management Personnel and these Codes are available on the Company's website [www.calsoftgroup.com](http://www.calsoftgroup.com). I confirm that the members of the Board and the Senior Management Personnel have complied with the Code of Conduct in respect of the financial year ended March 31, 2021

**For CALIFORNIA SOFTWARE COMPANY LIMITED**

**Mahalingam Vasudevan**

Managing Director / CEO

Place: Chennai

Date: July 31, 2021



**DECLARATION BY THE CHIEF EXECUTIVE OFFICER PURSUANT TO SCHEDULE V(D) READ WITH REGULATION 34 (3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

I, Dr. Vasudevan Mahalingam, Managing Director and Chief Executive Officer of California Software Company Limited (the company”) confirm that the company has adopted a Code of Business Ethics and Conduct (“Code of Conduct”) for its Board members and senior management personnel and the Code of Conduct is available on the company’s web site.

I, further confirm that the company has in respect of the financial year ended March 31, 2021, received from its Board members as well as senior management personnel affirmation as to compliance with the Code of Conduct.

**For CALIFORNIA SOFTWARE COMPANY LIMITED**

**Mahalingam Vasudevan**  
Managing Director/ CEO

Place: Chennai

Date: July 31, 2021

**CERTIFICATE BY THE CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)  
PURSUANT TO PART B SCHEDULE II READ WITH REGULATION 17 (8) OF SEBI (LISTING  
OBLIGATIONS AND DISCLOSURE REQUIREMENTS)**

**REGULATIONS, 2015**

To  
The Members  
California Software company Limited  
Dear members of the Board,

1. We have reviewed the financial statements and the cash flow statement of the company for the year ended March 31, 2021 and to the best of our 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.

2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.

4. We have indicated to the Auditors and the Audit Committee

(i) that there are no significant changes in internal control over financial reporting during the year;

(ii) that there are no significant changes in accounting policies during the year; and

(iii) that there are no instances of significant fraud of which we have become aware.

**Dr. Vasudevan Mahalingam**  
Chief Executive Officer and Managing Director  
Chennai  
Date: July 31, 2021

**Vijayakumar Madhavan**  
Whole time Director  
Chennai  
Date: July 31, 2021



Realize Your Ideas

# STANDALONE IND AS FINANCIAL STATEMENTS



# INDEPENDENT AUDITOR'S REPORT

To the Members of California Software Company Limited

## Report on the Standalone Financial Statements

We have audited the accompanying standalone Ind AS financial statements of California Software Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 Ind AS 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 of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as 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 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 standalone Ind AS 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

standalone Ind AS 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 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 standalone Ind AS 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 Ind AS financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS 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 March 31, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" 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, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - e) On the basis of written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of section 164(2) of the Act;
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report.

- 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:
- The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements.
  - The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For N. BALASUBRAMANIAN ASSOCIATES  
**Chartered Accountants**

Place: Chennai  
Date: April 12, 2021

**N. BALASUBRAMANIAN**  
Partner  
Membership No.: 023445

## **Annexure 1 referred to in paragraph 1 of the section on “Report on Other Legal and Regulatory Requirements” of our report of even date**

### **Re: California Software Company Limited (the Company)**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets were physically verified by the management in accordance with a planned programme of verifying them in phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification conducted during the financial year.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment / fixed assets are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the financial year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, 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 Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 186 of the Companies Act, 2013 in respect of loans given have been complied with by the Company. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 of the Companies Act, 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the products / services of the Company.
- (vii) (a) Undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales-tax, service tax, duty of custom, value added tax, goods and service tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been slight delay in few cases. The

provisions relating to duty of excise is not applicable to the Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, goods and service tax, duty of custom, Value added tax, Cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. According to the records of the Company, the disputed amount of income-tax and service tax is Rs. 133,960,202 and Rs. 35,52,977, respectively.

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a bank. The Company did not have any outstanding loans or borrowing dues in respect of financial institution or government or dues to debenture holders.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments hence, reporting under clause is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud / material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has not been paid.
- (xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any noncash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.



For N. BALASUBRAMANIAN ASSOCIATES  
**Chartered Accountants**

Place: Chennai  
Date: April 12, 2021

**N. BALASUBRAMANIAN**  
Partner  
Membership No.: 023445

## **ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF CALIFORNIA SOFTWARE COMPANY LIMITED**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of California Software Company Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For N. BALASUBRAMANIAN ASSOCIATES  
**Chartered Accountants**

Place: Chennai  
Date: April 12, 2021

**N. BALASUBRAMANIAN**  
Partner  
Membership No.: 023445

**TABLE 1. BALANCE SHEET AS AT 31 MARCH 2020**

Particulars	Note no.	As at March 31,	As at March 31,
<b>I. Assets</b>			
<b>1. Non-current assets</b>			
a) Property, plant and equipment	1	54,962,953	113,566
b) Financial assets			
(i) Investments	2	31,137,969	31,137,969
<b>Total non-current assets</b>		<b>86,100,922</b>	<b>31,251,535</b>
<b>2. Current assets</b>			
a) Inventories		-	-
b) Financial assets			
(i) Trade receivables	3	36,137,765	22,355,854
(ii) Cash and cash equivalents	4	198,189	500,961
c) Other current assets	5	58,491,788	59,353,462
<b>Total current assets</b>		<b>94,827,742</b>	<b>82,210,278</b>
<b>Total assets</b>		<b>180,928,664</b>	<b>113,461,813</b>
<b>II. Equity and Liabilities</b>			
<b>Equity</b>			
a) Equity share capital	6	154,571,060	123,650,060
b) Other equity		(55,326,139)	(26,349,071)
<b>Total equity</b>		<b>99,244,921</b>	<b>97,300,989</b>
<b>Liabilities</b>			
<b>1. Non-current liabilities</b>			
a) Deferred Tax Liabilities	7	375,778	-
<b>Total non-current liabilities</b>		375,778	-
<b>2. Current liabilities</b>			
a) Financial liabilities			
(i) Borrowings	8	16,997,179	11,715,079
(ii) Trade payables	9	60,197,665	2,432,703
b) Other current liabilities	10	4,113,121	2,013,042
Liabilities directly associated with assets classified as held for sale			
<b>Total current liabilities</b>		<b>81,307,965</b>	<b>16,160,824</b>
<b>Total liabilities</b>		<b>81,683,743</b>	<b>16,160,824</b>
<b>Total equity and liabilities</b>		<b>180,928,663</b>	<b>113,461,813</b>
The accompanying notes form an integral part of these standalone financial statements			
As per our report of even date attached			
For N. Balasubramanian Associates Chartered Accountants, F. No 03555	For and on behalf of the Board of Directors		
N. Balasubramanian Partner. M. No. 023445 Place : Chennai ; Date : 12/04/2021	Dr. M. Vasudevan Managing Director	M. Vijayakumar Director	

**TABLE 2. STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020**

	Particulars	Note no	For the year ended March 31,	For the year ended March
I	Revenue from operations	11	14,550,000	11,750,000
II	Other income, net	12	-	1,683,861
III	<b>Total income</b>		<b>14,550,000</b>	<b>13,433,861</b>
IV	<b>Expenses</b>			
	Employee benefit expense	13	4,011,653	3,418,974
	Depreciation and amortisation expense	14	2,958,913	-
	Other expenses	15	4,952,499	9,161,772
	<b>Total expenses</b>		<b>11,923,065</b>	<b>12,580,746</b>
V	Profit before exceptional items and tax		2,626,935	853,115
VI	Exceptional items		-	-
VII	Profit before tax		2,626,935	853,115
VIII	Tax expense			
	(i) Current tax		307,225	307,225
	(ii) Deferred tax		375,778	-
IX	Profit for the period		1,943,932	545,889
X	Other Comprehensive Income			
	a) Items that will not be reclassified to Profit or Loss		-	-
	b) Income tax relating to items that will not be reclassified to Profit or Loss		-	-
	c) Items that will be reclassified to Profit or Loss		-	-
	d) Income tax relating to items that will be reclassified to Profit or Loss		-	-
XI	Total Comprehensive Income for the period		1,943,932	545,889
XII	Earnings per equity share			
	Equity shares of par value Rs. 10 each			
	Basic		0.13	0.04
	Diluted		0.13	0.04
	Numbers of shares			
	Basic		15,457,106	12,365,006
	Diluted		15,457,106	12,365,006

The accompanying notes form an integral part of these standalone financial statements  
As per our report of even date attached

For N. Balasubramanian Associates  
Chartered Accountants, F. No 03555

For and on behalf of the Board of Directors

N. Balasubramanian  
Partner. M. No. 023445  
Place: Chennai ; Date: 12/04/2021

Dr. M. Vasudevan  
Managing Director

M. Vijayakumar  
Director

**TABLE 3. STATEMENT OF CHANGES IN EQUITY**

Particulars	Equity share capital	Other equity							Total equity attributable to equity holders of the Company		
		Reserves and surplus		Other equity			Total				
		Securities premium	Retained earnings	General reserve	Optionally Convertible Redeemable Preference	Other comprehensive income					
						Capital reserve		Equity instruments through other		Effective portion of cash flow hedges	Other items of other comprehensive income /
Capital reserve	Capital reserve	Capital reserve	Capital reserve	Capital reserve	Capital reserve	Capital reserve	Capital reserve				
Balance as at April 1, 2019	123,650,060	949,056,932	(1,077,180,114)	65,864,241	35,108,000	206,250	-	-	-	96,705,369	
Changes in equity for the year	-	-	-	-	-	-	-	-	-	-	
Profit for the year	-	-	631,305	-	-	-	-	-	-	-	631,305
Transfer to general reserve	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	35,685	-	-	-	-	-	-	-	-
Balance as at March 31, 2020	123,650,060	949,056,932	-1,076,584,494	65,864,241	35,108,000	206,250	-	-	-	-26,349,971	97,336,674

Statement of Changes in Equity for the year ended March 31, 2021.

Particulars	Equity share capital	Other equity							Total equity attributable to equity holders of the Company		
		Reserves and surplus		Other equity			Total				
		Securities premium	Retained earnings	General reserve	Optionally Convertible Redeemable Preference	Other comprehensive income					
						Capital reserve		Equity instruments through other		Effective portion of cash flow hedges	Other items of other comprehensive income /
Capital reserve	Capital reserve	Capital reserve	Capital reserve	Capital reserve	Capital reserve	Capital reserve	Capital reserve				
Balance as at April 1, 2020	123,650,060	949,056,932	(1,076,584,494)	65,864,241	35,108,000	206,250	-	-	-	26,349,971	97,336,674
Changes in equity for the year	30,921,000	-	-	-	30,921,000	-	-	-	-	-	30,921,000
Profit for the year	-	-	1,943,932	-	-	-	-	-	-	-	1,943,932
Transfer to general reserve	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2021	154,571,060	949,056,932	-1,074,640,562	65,864,241	4,187,000	206,250	-	-	-	-55,326,139	99,280,606

**TABLE 4. STATEMENT OF CASH FLOWS**

Particulars	Year ended March 31,	Year ended March 31, 2020
Cash flow from operating activities		
Profit before tax	2,626,935	853,115
Adjustments for:		
Depreciation and amortisation expense	2,958,913	-
Operating profit before working capital changes	5,585,848	853,115
Changes in working capital:		
Decrease/(Increase) in trade receivables	(13,781,911)	(8,430,104)
Increase/(Decrease) in trade payables	57,764,962	722,575
Increase/(Decrease) in Other current liabilities	2,100,079	711,789
Decrease/(Increase) in Other current assets	861,675	535,086
Cash generated from operations	46,944,805	(6,460,654)
Taxes Paid	307,225	221,810
Net cash generated from operating activities	52,223,427	(5,829,349)
Cash flows from investing activities		
Payments for property, plant and equipment	(57,808,300)	-
Net cash outflow from investing activities	(57,808,300)	-
Cash flows from financing activities		
Proceeds from borrowings	5,282,100	6,179,682
Dividend on OCRPS	-	(35,685)
Net cash inflow from financing activities	5,282,100	6,143,997
Net increase (decrease) in cash and cash equivalents	(302,773)	314,647
Cash and cash equivalents at the beginning of the financial year	500,961	186,314
Cash and cash equivalents at end of the year	198,188	500,961
The accompanying notes form an integral part of these standalone financial statements As per our report of even date attached		
For N. Balasubramanian Associates Chartered Accountants, F. No 0355S	For and on behalf of the Board of Director	
N. Balasubramanian Partner. M. No. 023445 Place : Chennai ; Date : 12/04/2021	Dr. M. Vasudevan M. Vijayakumar Managing Director Director	



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in lakhs of (‘₹’), except share data and as stated otherwise)

### ORGANIZATION AND NATURE OF OPERATIONS

California Software Company Limited (hereinafter referred to as “the Company”) is primarily engaged in providing a range of software development services, business process outsourcing services and IT infrastructure services. The Company was incorporated under the provisions of the Companies Act applicable in India in February 1992, having its registered office at 2nd Floor, Unit 9, STPI Building, 5 Rajiv Gandhi Road, Taramani, Chennai 600113.

The Company leverages its infrastructure and professionals to deliver solutions across selected verticals including financial services, manufacturing (automotive, aerospace, Hi-tech, semi-conductors), life sciences & healthcare, public services (oil and gas, energy and utility, travel, transport and logistics), retail and consumer products, telecom, media, publishing and entertainment.

The financial statements for the year ended 31<sup>st</sup>March 2021 were approved and authorized for issue by the Board of Directors on 14<sup>th</sup> May 2021.

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). These financial statements have been prepared under the historical cost convention on an accrual and going concern basis except for the following assets and liabilities which have been measured at fair value:

- a) Derivative financial instruments,
- b) Certain financial assets and liabilities (refer accounting policy regarding financial instruments)

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous year. The Company uses the Indian rupee (‘₹’) as its reporting currency.

#### (b) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses and other comprehensive income (OCI) that are reported and disclosed in the financial statements and accompanying notes. These estimates are based on the management’s best knowledge of current events, historical experience, actions that the Company may undertake in the future and on various other assumptions that are believed to be reasonable under the circumstances. Significant estimates and assumptions are used for, but not limited to, accounting for costs expected to be incurred to complete

performance under fixed price projects, allowance for uncollectible accounts receivables, accrual of warranty costs, income taxes, valuation of share-based compensation, future obligations under employee benefit plans, the useful lives of property, plant and equipment, intangible assets, impairment of goodwill, and other contingencies and commitments. Changes in estimates are reflected in the financial statements in the year in which the changes are made. Actual results could differ from those estimates.

**(c) Business combinations and goodwill**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is the aggregate of the consideration transferred measured at fair value at the acquisition date. Acquisition related costs are expensed as incurred.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as financial liability is measured at fair value with changes in fair value recognized in the statement of profit and loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the excess is recognized as capital reserve after reassessing the fair values of the net assets.

**(d) Foreign currency and translation**

The financial statements of the Company are presented in Indian Rupee (₹) which is also the Company's functional currency. For each foreign operation, the Company determines the functional currency which is its respective local currency.

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date of the transaction. Foreign-currency denominated monetary assets and liabilities are translated to the relevant functional currency at exchange rates in effect at the balance sheet date. Exchange differences arising on settlement or translation of monetary items are recognized in the statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the initial transaction. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at **the exchange rate prevalent at the date when the fair value was determined.**

**Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the year. Revenue, expenses and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.**

**The translation of foreign operations from respective functional currency into INR (the reporting currency) for assets and liabilities is performed using the exchange rates in effect at the balance sheet date, and for revenue, expenses and cash flows is performed using an appropriate daily weighted average exchange rate for the respective years. The exchange**

differences arising on translation are reported as a component of 'other comprehensive income (loss)'. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognized in the statement of profit and loss.

**(e) Fair value measurement**

The Company records certain financial assets and liabilities at fair value on a recurring basis. The Company determines fair values based on the price it would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or most advantageous market for that asset or liability.

The Company holds certain fixed income securities, equity securities and derivatives, which must be measured using the guidance for fair value hierarchy and related valuation methodologies. The guidance specifies a hierarchy of valuation techniques based on whether the inputs to each measurement are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's assumptions about current market conditions. The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The prescribed fair value hierarchy and related valuation methodologies are as follows:

Level 1 - Quoted inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 - Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-derived valuations, in which all significant inputs are directly or indirectly observable in active markets.

Level 3 - Valuations derived from valuation techniques, in which one or more significant inputs are unobservable inputs which are supported by little or no market activity.

In accordance with Ind AS 113, assets and liabilities are to be measured based on the following valuation techniques:

- a) Market approach – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.
- b) Income approach – Converting the future amounts based on market expectations to its present value using the discounting method.
- c) Cost approach – Replacement cost method.

Certain assets are measured at fair value on a non-recurring basis. These assets consist primarily of non-financial assets such as goodwill and intangible assets. Goodwill and intangible assets recognized in business combinations are measured at fair value initially and subsequently when there is an indicator of impairment, the impairment is recognized.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant who would use the asset in its highest and best use.

## **(f) Revenue recognition**

### ***Contracts involving provision of services***

Revenue is recognized when persuasive evidence of an arrangement exists, services have been rendered, the fee is determinable and collectability is reasonably assured. Contracts can be primarily categorized as time-and-material or fixed price contracts.

### ***Time-and-material contracts***

Revenue with respect to time-and-material contracts is recognized as the related services are performed.

### ***Fixed Price contracts***

Revenue related to contracts providing maintenance and support services, is recognized over the term of the contract where the company has continuing obligation.

Revenue from technology integration and complex network building contracts is recognized in accordance with the Percentage-of-Completion (POC) method. Under the POC method, progress towards completion is measured based on either achievement of specified contract milestones, cost incurred as a proportion of estimated total cost or other measures of progress when available. If circumstances arise that change the original estimates of revenues, costs, or extent of progress towards completion, revisions are made to the estimates. These revisions may result in increase or decrease in estimated revenues or costs, and such revisions are reflected in income in the year in which the circumstances that gave rise to the revision become known to the management. Provisions for estimated losses, if any, on contracts in progress are recorded in the period in which such losses become probable based on the current cost estimates. Contract losses are determined to be the amount by which the estimated total cost to complete exceeds the estimated total revenue that will be generated by the contract and are included in Cost of services and classified in other accrued liabilities.

In arrangements involving sharing of customer revenues, revenue is recognized when the amounts are known and the right to receive is established. Incremental revenue from existing contracts arising on future sales to the customers is recognized when it is earned, and collectability is reasonably assured.

Revenues from unit-priced contracts are recognized as transactions are processed, based on objective measures of output.

Revenue from product sales are shown net of sales tax and applicable discounts and allowances. Revenue related to product with installation services that are critical to the product is recognized when installation of product at customer site is completed and accepted by the customer. If the revenue for a delivered item is not recognized for non-receipt of acceptance from the customer, the cost of the delivered item continues to be in inventory.

### ***Multiple-element arrangements***

When a sales arrangement contains multiple elements, such as services, hardware and software products and licenses, revenue for each element is determined based on its fair value.

Revenue recognition for delivered elements is limited to the amount that is not contingent on the future delivery of products or services, future performance obligations or subject to customer-specified return or refund privileges.

Revenue from activities in transition services not having standalone value in outsourcing arrangements is deferred and recognized over the period of the arrangement. Direct and incremental costs in relation to such an arrangement are also deferred to the extent of revenue. Certain upfront non-recurring contract acquisition costs incurred in the initial phases of outsourcing contracts are deferred and amortized usually on a straight-line basis, over the term of the contract unless revenues are earned, and obligations are fulfilled in a different pattern. The undiscounted cash flows from the arrangement are periodically estimated and compared with the unamortized costs. If the unamortized costs exceed the undiscounted cash flow, a loss is recognized.

In instances when revenue is derived from sales of third-party vendor services, material or licenses, revenue is recorded on a gross basis when the Company is a principal to the transaction and net of costs when the Company is acting as an agent between the customer and the vendor. Several factors are considered to determine whether the Company is a principal or an agent, most notably whether the Company is the primary obligor to the customer, has established its own pricing, and has inventory and credit risks.

Revenue is recognized net of discounts and allowances, value-added tax and goods & service tax, and includes reimbursement of out-of-pocket expenses, with the corresponding out-of-pocket expenses included in cost of revenues.

Revenue from financing leases is recognized when risk of loss has been transferred to the client and there are no unfulfilled obligations that affect the final acceptance of the arrangement by the client. Revenue from operating leases is accounted on a straight-line basis as service revenue over the rental period. Interest attributable to financing leases included therein is recognized on an accrual basis using the effective interest method.

### ***Interest income***

Interest income for all financial instruments measured at amortized cost is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

(g) **Income taxes**

Income tax expense comprises current and deferred income tax.

Income tax expense is recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current income tax for current

and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Provision for income tax includes the impact of provisions established for uncertain income tax positions.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets and liabilities recognized for those temporary differences which originate during the tax holiday period are reversed after the tax holiday period. For this purpose, reversal of timing differences is determined using first in first out method.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the year that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognized subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognized in the statement of profit and loss.

(h) **Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. The Company identifies and

determines separate useful lives for each major component of the property, plant and equipment, if they have a useful life that is materially different from that of the asset as a whole.

Expenses on existing property, plant and equipment, including day-to-day repairs, maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the year during which such expenses are incurred.

Gains or losses arising from derecognition of assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Property, plant and equipment under construction and cost of assets not ready for use at the year-end are disclosed as capital work- in- progress.

Depreciation on property, plant and equipment is provided on the straight-line method over their estimated useful lives, as determined by the management. Depreciation is charged on a pro-rata basis for assets purchased / sold during the year.

**(i) Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Intangible assets are amortized over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

The intangible assets are amortized over the estimated useful life of the assets as mentioned below except certain Licensed IPRs which include the right to modify, enhance or exploit are amortized in proportion to the expected benefits over the useful life which could range up to 15 years.

**(j) Research and development costs**

Research costs are expensed as incurred. Development expenditure, on an individual project, is recognized as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. Amortization expense is recognized in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

**(k) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**(l) Inventory**

Stock-in-trade, stores and spares are valued at the lower of the cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Cost of stock-in-trade procured for specific projects is assigned by identifying individual costs of each item. Cost of stock in trade, that are interchangeable and not specific to any project and cost of stores and spare parts are determined using the weighted average cost formula.

**(m) Impairment of non-financial assets**

**Goodwill**

Goodwill is tested annually on March 31, for impairment, or sooner whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment



testing, goodwill acquired in a business combination is allocated to the Company's cash generating units (CGU) expected to benefit from the synergies arising from the business combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU. Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU, pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill recognized in the statement of profit and loss is not reversed in the subsequent period.

### **Intangible assets and property, plant and equipment**

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the asset exceeds the estimated recoverable amount of the asset.

#### **(n) Provisions**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows.

#### **(p) Retirement and other employee benefits**

- i. **Provident fund:** Employees of the Company receive benefits under the provident fund, a defined benefit plan. The employee and employer each make monthly contributions to the plan. A portion of the contribution is made to the provident fund trust managed by the Company or Government administered provident fund; while the balance contribution is made to the Government administered pension fund. For the contribution made by the Company to the provident fund trust managed by the Company, the Company has an obligation to fund any shortfall on the yield of the Trust's investments over the administered interest rates. The liability is actuarially determined (using the projected unit credit method) at the end of the year. The funds contributed to the Trust are invested in specific securities as mandated by law and generally consist of federal and state government bonds, debt instruments of

government-owned corporations and other eligible market securities.

- ii. In respect of superannuation, a defined contribution plan for applicable employees, the Company contributes to a scheme administered on its behalf by an insurance company and such contributions for each year of service rendered by the employees are charged to the statement of profit and loss. The Company has no further obligations to the superannuation plan beyond its contributions.
- iii. Gratuity liability: The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's base salary and the tenure of employment (subject to a maximum of Rs. 20 lacs per employee). The liability is actuarially determined (using the projected unit credit method) at the end of each year. Actuarial gains / losses are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the year in which they occur.

In respect to certain employees in India, the Company contributes towards gratuity liabilities to the Gratuity Fund Trust. Trustees of the Company administer contributions made to the Trust and contributions are invested in a scheme with Life Insurance Corporation of India as permitted by law.

- iv. Compensated absences: The employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating in nature. The employees can carry forward up to the specified portion of the unutilized accumulated compensated absences and utilize it in future periods or receive cash at retirement or termination of employment. The expected cost of accumulating compensated absences is determined by actuarial valuation (using the projected unit credit method) based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the balance sheet date. The expense on non-accumulating compensated absences is recognized in the statement of profit and loss in the year in which the absences occur. Actuarial gains/ losses are immediately taken to the statement of profit and loss and are not deferred.
- v. State Plan: The contribution to State Plans in India, a defined contribution plan namely Employee State Insurance Fund is charged to the statement of profit and loss as and when employees render related services.

**(q) Equity settled stock-based compensation**

Stock-based compensation represents the cost related to stock-based awards granted to employees. The Company measures stock-based compensation cost at grant date, based on the estimated fair value of the award and recognizes the cost (net of estimated forfeitures) on a straight-line basis over the requisite service period for each separately vesting portion of the award, as if award was in substance, multiple awards. The Company estimates the fair value of stock options using the Black-Scholes valuation model. The cost is recorded under the head employee benefit expense in the statement of profit and loss

with corresponding increase in “Share Based Payment Reserve”.

**(r) Financial Instruments**

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**i. Financial assets**

All financial assets are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value measured on initial recognition of financial asset. Purchase and sale of financial assets are accounted for at trade date.

**Cash and short-term deposits**

Cash and short-term deposits in the balance sheet comprise cash in banks and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

**Financial assets at amortized cost**

A financial asset is measured at the amortized cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in other income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss. This category includes cash and bank balances, loans, unbilled revenue, trade and other receivables.

**Financial asset at Fair Value through Other Comprehensive Income (OCI)**

A financial asset is classified and measured at fair value through OCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset’s contractual cash flows represent solely payments of principal and interest.

Financial asset included within the OCI category are measured initially as well as at

each reporting date at fair value. Fair value movements are recognized in OCI. Interest income is recognized in statement of profit and loss for debt instruments. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from OCI to statement of profit and loss.

### **Financial assets at Fair Value through Profit and Loss**

Any financial asset, which does not meet the criteria for categorization at amortized cost or at fair value through other comprehensive income, is classified at fair value through profit and loss. Financial assets included at the fair value through profit and loss category are measured at fair value with all changes recognized in the statement of profit and loss.

### **Equity investments**

Equity investments in subsidiaries are measured at cost.

### **Derecognition of financial assets**

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset.

### **Impairment of financial assets**

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit and loss. Lifetime ECL allowance is recognized for trade receivables with no significant financing component. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case they are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognized in the statement of profit and loss.

## **ii. Financial liabilities**

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade payables, borrowings including bank overdrafts and other payables.

After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in the statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

## **Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

### **iii. Derivative financial instruments and hedge accounting**

Foreign exchange forward contracts and options are purchased to mitigate the risk of changes in foreign exchange rates associated with forecast transactions denominated in certain foreign currencies.

The Company recognizes all derivatives as assets or liabilities measured at their fair value. Changes in fair value for derivatives not designated in a hedge accounting relationship are marked to market at each reporting date and the related gains (losses) are recognized in the statement of profit and loss as 'foreign exchange gains (losses)'.

The foreign exchange forward contracts and options in respect of forecast transactions which meet the hedging criteria are designated as cash flow hedges. Changes in the derivative fair values (net of tax) that are designated as effective cash flow hedges are deferred and recorded in the hedging reserve account as a component of accumulated 'other comprehensive income (loss)' until the hedged transaction occurs and are then recognized in the statement of profit and loss. The ineffective portion of hedging derivatives is immediately recognized in the statement of profit and loss.

In respect of derivatives designated as hedges, the Company formally documents all relationships between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Company also formally assesses both at the inception of the hedge and on an ongoing basis, whether each derivative is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Hedge accounting is discontinued prospectively from the last testing date when (1) it is determined that the derivative financial instrument is no longer effective in offsetting changes in the fair value or cash flows of the underlying exposure being hedged; (2) the derivative financial instrument matures or is sold, terminated or exercised; or (3) it is determined that designating the derivative financial instrument as a hedge is no longer appropriate. When 'hedge accounting is discontinued the deferred gains or losses on the cash flow hedge remain in 'other comprehensive income (loss)' until the forecast transaction occurs. Any further change in the fair value of the derivative financial instrument is recognized in current year earnings.

### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset, and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis to realize the assets and settle the liabilities simultaneously.

**(s) Dividend**

Final dividend proposed by the Board of Directors is recognized upon approval by the shareholders who have the right to decrease but not increase the amount of dividend recommended by the Board of Directors. Interim dividends are recognized on declaration by the Board of Directors.

**(t) Earnings per share (EPS)**

Basic EPS amounts are computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equities outstanding during the year.

Diluted EPS amounts are computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares).

Dilutive potential equity shares are deemed converted as at the beginning of the year, unless issued at a later date. Dilutive potential equity shares are determined independently for each year presented.

**(u) Recently issued accounting pronouncements**

On 28 March 2018, the Ministry of Corporate Affairs (MCA), notified Companies (Indian Accounting Standards) (Amendments) Rules, 2018, amending the following standards:

**Appendix B to Ind AS 21, 'Foreign Currency Transactions and Advance Consideration'**

The amendment clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration.

The Appendix is effective for annual periods beginning on or after 1 April 2018. However, since the Company's current practice is in line with the Interpretation, the Company does not expect any effect on its financial statements.

**Ind AS 115, Revenue from Contract with Customers**

Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard Ind AS 18 Revenue, Ind AS 11 Construction Contracts. The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The core principle of Ind AS 115 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the

consideration to which the entity expects to be entitled in exchange for those goods or services. Under Ind AS 115, an entity recognizes revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The standard permits two possible methods of transition:

- Retrospective approach-Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

**TABLE 5. PROPERTY, PLANT AND EQUIPMENT**

Particulars	Computers and Accessories	Total
Gross carrying value as at April 1, 2020	113,566	113,566
Additions	308,300	308,300
Deletions	-	-
Gross carrying value as at March 31, 2021	421,866	421,866
Particulars	Computers and Accessories	Total
Accumulated depreciation as on April 1, 2020	-	-
Depreciation	2,958,913	2,958,913
Accumulated depreciation as on delitions	-	-
Accumulated depreciation as on March 31, 2021	2,958,913	2,958,913
Carrying value as at March 31, 2021	54,962,953	2,537,047
Carrying value as at April 1, 2020	113,566	113,566



**TABLE 6. ADVANCES, TRADE RECEIVABLES, CURRENT AND NON-CURRENT INVESTMENTS**

<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Non Current Investments		
Investment in Equity instruments of subsidiaries	31,137,969	31,137,969
<b>Total carrying value</b>	<b>31,137,969</b>	<b>31,137,969</b>
<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Non-current		
Unquoted		
Investment carried at cost		
Investment in equity instruments of subsidiaries	31,137,969	31,137,969
Aspire communication, Mysore, India		
20,00,000 (20,00,000) equity shares, fully paid up	<b>31,137,969</b>	<b>31,137,969</b>
<b>Note: 3 Trade receivable</b>		
<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Current		
Trade receivables	36,137,765	36,137,765
Unsecured, Considered good		
<b>Total trade receivables</b>	<b>36,137,765</b>	<b>36,137,765</b>
(1) Includes dues from companies where directors are interested		
<b>Note: 4 Cash and cash equivalents</b>		
<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Balances with Banks	25,965	25,965
In current and deposit accounts		-
Cash on hand	69,052	69,052
Balances with banks- Unpaid dividend accounts	103,172	103,172
		-
	<b>198,189</b>	<b>198,189</b>

**TABLE 7. OTHER CURRENT ASSETS AND SHARE CAPITAL**

<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Advance Income tax (net of provisions)	56,223,699	56,223,699
Loans and advances to employees	- 481,000	- 481,000
Rental Advance	279,852	279,852
Advance- Others	590,351	590,351
Receivable from Government authorities	1,878,886	1,878,886
	-	-
	<b>58,491,788</b>	<b>58,491,788</b>
<b>Note: 6 Equity</b>		
	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>Particulars</b>		
<b>Authorised Capital</b>		
2,10,00,000 Equity Shares of Rs.10/- each with equal voting rights	210,000,000	210,000,000
40,00,000 Preference Shares of Rs.10/- each with equal voting rights	40,000,000	40,000,000
	<b>250,000,000</b>	<b>250,000,000</b>
	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>Particulars</b>		
<b>Issued, Subscribed and paid up</b>		
1,54,57,106 Equity Shares of Rs.10/- each with equal voting rights	154,571,060	123,650,060
3510800 Optionally Convertible Redeemable Preference Shares(OCRPS) at Rs.10	4,187,000	35,108,000
	<b>158,758,060</b>	<b>158,758,060</b>
(The paid up share capital includes shares worth Rs. 7,24,920 which were issued by the company in October 1994 for consideration other than cash)		
	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>Name of the Share Holder</b>		
Shareholders holding more than 5% of total shares		
Vasudevan M	55,22,972 35.73%	50,66,673 40.98%
Chemoil	17,46,533 11.27%	
Closing Balance	72,69,505 47.00%	50,66,673 40.98%
Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:		
	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>Particulars</b>		
At the beginning of the period	15,875,806	15,875,806
Add : Shares issued	-	-
Less : Shares bought back	-	-
At the end of the period	<b>15,875,806</b>	<b>15,875,806</b>

**TABLE 8. FINANCIAL LIABILITIES, TRADE PAYABLES, OTHER CURRENT LIABILITIES**

<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Loan from Directors	16,997,179	11,715,079
<b>Total</b>	<b>16,997,179</b>	<b>11,715,079</b>
<b>Note: 9 Trade payables</b>		
<b>Particulars</b>	<b>As at March 31,</b>	<b>As at March 31, 2020</b>
Trade payables	2,697,665	2,432,703
Asset Purchase Payable	57,500,000	-
<b>Total</b>	<b>60,197,665</b>	<b>2,432,703</b>
<b>Note: 10 Other current liabilities</b>		
<b>Particulars</b>	<b>As at March 31,</b>	<b>As at March 31, 2020</b>
Unpaid dividends	103,172	103,172
Statutory liabilities	3,288,449	1,258,449
Audit Expenses Payable	480,458	480,458
Gratuity Payable	135,278	135,278
Provision for Dividend on OCRPS	35,685	35,685
Other Current Liabilities	70,079	-
<b>Total</b>	<b>4,113,121</b>	<b>2,013,042</b>

**TABLE.9. REVENUE, EMPLOYEE BENEFITS AND OTHER EXPENSES**

<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Sale of Services	14,550,000	11,750,000
<b>Total</b>	<b>14,550,000</b>	<b>11,750,000</b>
<b>Note: 12 Other Income</b>		
<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Payables written off	-	3,755
Foreign exchange gain	-	1,680,105
<b>Total</b>		<b>1,683,861</b>
<b>Note: 13 Employee benefits expense</b>		
<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Salary Expenses	4,011,653	3,345,032
Staff welfare expenses	-	73,942
<b>Total</b>	<b>4,011,653</b>	<b>3,418,974</b>
<b>Note: 14 Depreciation and Amortisation</b>		
<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Depreciation & Amortisation	2,958,913	2,958,913
<b>Total</b>	<b>2,958,913</b>	<b>2,958,913</b>
<b>Note: 15 Other Expenses</b>		
<b>Particulars</b>	<b>2021</b>	<b>2020</b>
Maintenance expenses	741,000	150,360
Rent - Office	1,292,265	1,083,500
Communication expenses	164,452	270,511
Listing fees	583,200	-
Travel Expenses	-	4,642
Bad debts written off	-	5,000,000
Audit Fee	500,000	500,000
Secretarial & Professional Fees	530,206	1,857,229
Director's Sitting fees	-	15,000
Foreign Exchange Loss	766,092	-
Share Maintenance Charges	24,451	-
ROC Fees	10,800	-
Server Rental expenses	88,500	-
Depository Charges	105,207	-
Other Expenses	-	223,238
Advertisement	55,488	55,716
Bank Charges	6,497	1,575
Rates and Taxes	67,841	-
Administration Expenses	16,500	-
<b>Total</b>	<b>4,952,499</b>	<b>9,161,772</b>



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# CONSOLIDATED IND AS FINANCIAL STATEMENTS



# INDEPENDENT AUDITOR'S REPORT

To

The Members of California Software Company Limited

## **Report on the Consolidated Ind AS Financial Statements**

We have audited the accompanying consolidated Ind AS financial statements of California Software Company Limited (hereinafter referred to as “the Holding Company”), its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”) and its associates, comprising of the consolidated Balance Sheet as at March 31, 2021, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated Ind AS financial statements”).

## **Management’s Responsibility for the Consolidated Ind AS Financial Statements**

The Holding Company’s Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 (“the Act”) that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its Associates in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

## **Auditor’s Responsibility**

Our responsibility is to express an opinion on these consolidated Ind AS 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 thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as 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 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 Ind AS 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 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 is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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 and its associates as at March 31, 2020, their consolidated profit including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

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 purpose of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and on the basis of written representations received from directors of its subsidiaries incorporated in India none of the directors of the Group's companies, incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies incorporated in India, refer to our separate report in "Annexure 1" to this report;

(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:

- The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in the consolidated Ind AS financial statements;
- Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
- There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended March 31, 2020. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by its subsidiaries incorporated in India during the year ended March 31, 2020.

**For N.BALASUBRAMANIAN ASSOCIATES**  
**Chartered Accountants**

Place: Chennai  
Date: April 12, 2021

**N. BALASUBRAMANIAN**  
Partner  
Membership No.: 023445



## **ANNEXURE 1 - TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF CALIFORNIA SOFTWARE COMPANY LIMITED**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of California Software Company Limited as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of California Software Company Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

#### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For N.BALASUBRAMANIAN ASSOCIATES****Chartered Accountants**

Place: Chennai  
Date: April 12, 2021

**N. BALASUBRAMANIAN**  
Partner  
Membership No.: 023445

**TABLE 1. CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2021**

Particulars	Note no.	As at March 31, 2021	As at March 31, 2020
<b>I. Assets</b>			
<b>1. Non-current assets</b>			
a) Property, plant and equipment	1	54,962,953	113,566
b) Deferred tax assets		-	-
<b>Total non-current assets</b>		<b>54,962,953</b>	<b>113,566</b>
<b>2. Current assets</b>			
a) Inventories		-	-
b) Financial assets			
(i) Trade receivables	2	36,137,765	22,355,855
(ii) Cash and cash equivalents	3	309,974	612,746
c) Other current assets	4	59,886,362	59,305,036
<b>Total current assets</b>		<b>96,334,101</b>	<b>82,273,638</b>
<b>Total assets</b>		<b>151,297,054</b>	<b>82,387,204</b>
<b>II. Equity and Liabilities</b>			
<b>Equity</b>			
a) Equity share capital	5	154,571,060	123,650,060
b) Other equity		(90,612,249)	(57,528,180)
<b>Total equity</b>		<b>63,958,811</b>	<b>66,121,880</b>
<b>Liabilities</b>			
<b>1. Non-current liabilities</b>			
a) Deferred Tax Liabilities	6	375,778	-
<b>Total non-current liabilities</b>		<b>375,778</b>	<b>-</b>
<b>2. Current liabilities</b>			
a) Financial liabilities			
(i) Borrowings	7	16,997,179	11,715,079
(ii) Trade payables	8	60,197,665	2,432,703
b) Other current liabilities	9	4,217,621	2,117,542
Liabilities directly associated with assets classified as held for sale			
<b>Total current liabilities</b>		<b>81,412,465</b>	<b>16,265,324</b>
<b>Total liabilities</b>		<b>81,788,243</b>	<b>16,265,324</b>
<b>Total equity and liabilities</b>		<b>145,747,054</b>	<b>82,387,204</b>
The accompanying notes form an integral part of these standalone financial statements As per our report of even date attached			
For N. Balasubramanian Associates Chartered Accountants, F. No 0355S		For and on behalf of the Board of Directors	
N. Balasubramanian Partner. M. No. 023445 Place : Chennai ; Date : 12/04/2021		Dr. M. Vasudevan Managing Director	M. Vijayakumar Director

**TABLE 2. CONSOLIDATED PROFIT AND LOSS FOR THE YEAR  
ENDED MARCH 31, 2021**

	Particulars	Note no	For the year ended March 31, 2021	For the year ended March 31,
I	Revenue from operations	10	9,000,000	11,750,000
II	Other income, net	11	-	1,683,861
III	<b>Total income</b>		<b>9,000,000</b>	<b>13,433,861</b>
IV	<b>Expenses</b>			
	Employee benefit expense	12	4,011,653	3,418,974
	Depreciation and amortisation expense	13	2,958,913	-
	Other expenses	14	4,952,499	9,162,421
	<b>Total expenses</b>		<b>11,923,065</b>	<b>12,581,395</b>
V	Profit before exceptional items and tax		(2,923,065)	852,466
VI	Exceptional items		-	-
VII	Profit before tax		(2,923,065)	852,466
VIII	Tax expense			
	(i) Current tax		(1,135,775)	221,810
	(ii) Deferred tax		375,778	-
IX	Profit for the period		(2,163,068)	630,656
X	Other Comprehensive Income			
	a) Items that will not be reclassified to Profit or Loss		-	-
	b) Income tax relating to items that will not be reclassified to Profit or Loss		-	-
	c) Items that will be reclassified to Profit or Loss		-	-
	d) Income tax relating to items that will be reclassified to Profit or Loss		-	-
XI	Total Comprehensive Income for the period		(2,163,068)	630,656
XII	Earnings per equity share			
	Equity shares of par value Rs. 10 each			
	Basic	-	0.14	0.05
	Diluted	-	0.14	0.05
	Numbers of shares			
	Basic		15,457,106	12,365,006
	Diluted		15,457,106	12,365,006
The accompanying notes form an integral part of these standalone financial statements As per our report of even date attached				
For N. Balasubramanian Associates		For and on behalf of the Board of Directors		
Chartered Accountants, F. No 03555				
N. Balasubramanian				
Partner. M. No. 023445		Dr. M. Vasudevan	M. Vijayakumar	
Place: Chennai ; Date: 12/04/2021		Managing Director	Director	

**TABLE 3. STATEMENT OF CHANGE IN EQUITY**

Particulars	Other equity										Total equity attributable to equity holders of the Company	
	Equity share capital	Reserves and surplus			Optionally Convertible Redeemable Shares	Capital reserve		Other comprehensive income				Total
		Securities premium	Retained earnings	General reserve		Capital reserve	Capital reserve through business	Equity Instruments through other compreh	Effective portion of cash flow hedges	Other items of other comprehensive Income /		
Balance as at March 31, 2019	123,650,060	964,318,405	-1,113,364,439	66,746,602	35,108,000	206,250	-	-	-	-	76,664,878	
Changes in equity for the year	-	-	-	-	-	-	-	-	-	-	-	
Profit for the year	-	-	630,656	-	-	-	-	-	-	-	630,656	
Transfer to general reserve	-	-	-	-	-	-	-	-	-	-	-	
Dividends	-	-	35,685	-	-	-	-	-	-	-	-	
<b>Balance as at March 31, 2020</b>	<b>123,650,060</b>	<b>964,318,405</b>	<b>-1,112,769,468</b>	<b>66,746,602</b>	<b>35,108,000</b>	<b>206,250</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-46,390,211</b>	

Statement of Changes in Equity for the year ended March 31, 2020

Particulars	Other equity										Total equity attributable to equity holders of the Company	
	Equity share capital	Reserves and surplus			Optionally Convertible Redeemable Shares	Capital reserve		Other comprehensive income				Total
		Securities premium	Retained earnings	General reserve		Capital reserve	Capital reserve through business	Equity Instruments through other	Effective portion of cash flow	Other items of other comprehensive		
Balance as at April 1, 2020	123,650,060	964,318,405	-1,112,769,468	66,746,602	35,108,000	206,250	-	-	-	-	-46,390,211	77,295,534
Changes in equity for the year	30,921,000	-	-	-	30,921,000	-	-	-	-	-	-	-
Profit for the year	-	-	2,163,068	-	-	-	-	-	-	-	-	-
Transfer to general reserve	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2021</b>	<b>154,571,060</b>	<b>964,318,405</b>	<b>-1,114,892,537</b>	<b>66,746,602</b>	<b>4,187,000</b>	<b>206,250</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-79,474,280</b>

**TABLE 4. CASH FLOW STATEMENT**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Cash flow from operating activities		
Profit before tax	(2,923,065)	852,466
Adjustments for:		
Depreciation and amortisation expense	2,958,913	-
Operating profit before working capital changes	35,848	852,466
Changes in working capital:		
Decrease/(Increase) in trade receivables	(13,781,910)	(8,430,105)
Increase/(Decrease) in trade payables	57,764,962	722,575
Increase/(Decrease) in Other current liabilities	2,100,079	711,789
Decrease/(Increase) in Other current assets	(581,325)	535,086
Cash generated from operations	45,501,806	(6,460,655)
Taxes Paid	(1,135,775)	221,810
Net cash generated from operating activities	46,673,428	(5,829,999)
Cash flows from investing activities		
Payments for property, plant and equipment	(57,808,300)	-
Net cash outflow from investing activities	(57,808,300)	-
Cash flows from financing activities		
Proceeds from borrowings	5,282,100	6,179,682
Dividend on OCRPS	-	(35,685)
Net cash inflow from financing activities	5,282,100	6,143,997
Net increase (decrease) in cash and cash equivalents	(5,852,772)	313,997
Cash and cash equivalents at the beginning of the financial year	612,746	298,749
Cash and cash equivalents at end of the year	(5,240,026)	612,746
The accompanying notes form an integral part of these standalone financial statements As per our report of even date attached		
For N. Balasubramanian Associates Chartered Accountants, F. No 03555	For and on behalf of the Board of Directors	
N. Balasubramanian Partner. M. No. 023445 Place : Chennai ; Date : 12/04/2021	Dr. M. Vasudevan Managing Director	M. Vijayakumar Director

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH  
31, 2021**

**ORGANIZATION AND NATURE OF OPERATIONS**

California Software Company Limited (hereinafter referred to as “the Company” or “the Parent Company”) and its subsidiaries (hereinafter collectively referred to as “the Group”) are primarily engaged in providing a range of software development services, business process outsourcing services and IT infrastructure services. The Company was incorporated under the provisions of the Companies Act applicable in India in February 1992, having its registered office at 2nd Floor, Unit 9, STPI Building, 5 Rajiv Gandhi Road, Taramani, Chennai 600113.

The Group leverages its offshore infrastructure and professionals to deliver solutions across select verticals including financial services, manufacturing (automotive, aerospace, Hi-tech, semi-conductors), life sciences & healthcare, public services (oil and gas, energy and utility, travel, transport and logistics), retail and consumer products, telecom, media, publishing and entertainment.

The consolidated financial statements for the year ended 31 March 2020 were approved and authorized for issue by the Board of Directors on 10<sup>th</sup> May 2020.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of preparation***

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

These consolidated financial statements have been prepared under the historical cost convention on an accrual and going concern basis, except for the following assets and liabilities which have been measured at fair value:

- a) Derivative financial instruments,
- b) Certain financial assets and liabilities (refer accounting policy regarding financial instruments),

The accounting policies adopted in the preparation of these consolidated financial statements are consistent with those of the previous year.

The Group uses the Indian rupee (‘ ₹ ’) as its reporting currency.

***Basis of Consolidation***

The consolidated financial statements comprise the financial statements of California Software Company Limited, the Parent Company, and its subsidiaries. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.



Control is achieved when the Group is exposed, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- a) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- b) Exposure, or rights, to variable returns from its involvement with the investee, and
- c) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- a) The contractual arrangement with the other vote holders of the investee
- b) Rights arising from other contractual arrangements
- c) The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

The financial statements of the subsidiaries in the Group are added on a line-by-line basis and inter-company balances and transactions including unrealized gain / loss from such transactions, are eliminated upon consolidation. The consolidated financial statements are prepared by applying uniform accounting policies in use by the Group.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not in control or joint control over those policies. The aggregate of the Group's share of profit and loss of an associate is shown on the face of the statement of profit and loss.

### ***Use of estimates***

The preparation of consolidated financial statements in conformity with Ind AS requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses and other comprehensive income (OCI) that are reported and disclosed in the consolidated financial statements and accompanying notes. These estimates are based on the management's best knowledge of current events, historical experience, actions that the Group may undertake in the future and on various other assumptions that

are believed to be reasonable under the circumstances. Significant estimates and assumptions are used for, but not limited to, accounting for costs expected to be incurred to complete performance under fixed price projects, allowance for uncollectible accounts receivables, accrual of warranty costs, income taxes, valuation of share-based compensation, future obligations under employee benefit plans, the useful lives of property, plant and equipment, intangible assets, impairment of goodwill, and other contingencies and commitments. Changes in estimates are reflected in the consolidated financial statements in the year in which the changes are made. Actual results could differ from those estimates.

### ***Business combinations and goodwill***

Business combinations are accounted for using the acquisition method. The cost of an acquisition is the aggregate of the consideration transferred measured at fair value at the acquisition date and the amount of any non-controlling interest in the acquiree. For each business combination, the Group measures the non-controlling interest in the acquiree at fair value. Acquisition related costs are expensed as incurred.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as financial liability is measured at fair value with changes in fair value recognized in the statement of profit and loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the excess is recognized as capital reserve after reassessing the fair values of the net assets.

### ***Foreign currency and translation***

The Group's consolidated financial statements are presented in Indian Rupee (₹), which is also the parent company's functional currency. For each entity, the Group determines the functional currency which is its respective local currency, except for four subsidiaries outside India being investment companies which use the US\$ as their functional currency, and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to the statement of profit and loss reflects the amount that arises from using this method.

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated to the relevant functional currency at exchange rates in effect at the balance sheet date. Exchange differences arising on settlement or translation of monetary items are recognized in the statement of profit and loss. Non-monetary assets and non-

monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of initial transaction. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the year. Revenue, expenses and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

The translation of foreign operations from respective functional currency into INR (the reporting currency) for assets and liabilities is performed using the exchange rates in effect at the balance sheet date, and for revenue, expenses and cash flows is performed using an appropriate daily weighted average exchange rate for the respective years. The exchange differences arising on translation for consolidation are reported as a component of 'other comprehensive income (loss)'. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognized in the statement of profit and loss.

### ***Fair value measurement***

The Group records certain financial assets and liabilities at fair value on a recurring basis. The Group determines fair values based on the price it would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or most advantageous market for that asset or liability.

The Group holds certain fixed income securities, equity securities and derivatives, which must be measured using the guidance for fair value hierarchy and related valuation methodologies. The guidance specifies a hierarchy of valuation techniques based on whether the inputs to each measurement are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Group's assumptions about current market conditions. The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The prescribed fair value hierarchy and related valuation methodologies are as follows:

- Level 1** - Quoted inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2** - Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-derived valuations, in which all significant inputs are directly or indirectly observable in active markets.
- Level 3** - Valuations derived from valuation techniques, in which one or more

significant inputs are unobservable inputs which are supported by little or no market activity.

In accordance with Ind AS 113, assets and liabilities are to be measured based on the following valuation techniques:

- Market approach – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.
- Income approach – Converting the future amounts based on market expectations to its present value using the discounting method.
- Cost approach – Replacement cost method.

Certain assets are measured at fair value on a non-recurring basis. These assets consist primarily of non-financial assets such as goodwill and intangible assets. Goodwill and intangible assets recognized in business combinations are measured at fair value initially and subsequently when there is an indicator of impairment, the impairment is recognized.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant who would use the asset in its highest and best use.

## **Revenue recognition**

### *Contracts involving provision of services*

Revenue is recognized when persuasive evidence of an arrangement exists, services have been rendered, the fee is determinable, and collectability is reasonably assured. Contracts can be primarily categorized as time-and-material or fixed price contracts.

### **Time-and-material contracts**

Revenue with respect to time-and-material contracts is recognized as the related services are performed.

### **Fixed Price contracts**

Revenue related to contracts providing maintenance and support services, is recognized over the term of the contract where the Group has continuing obligation.

Revenue from technology integration and complex network building contracts is recognized in accordance with the Percentage-Of-Completion (POC) method. Under the POC method, progress towards completion is measured based on either achievement of specified contract milestones, cost incurred as a proportion of

estimated total cost or other measures of progress when available. If circumstances arise that change the original estimates of revenues, costs, or extent of progress towards completion, revisions are made to the estimates. These revisions may result in increase or decrease in estimated revenues or costs, and such revisions are reflected in income in the year in which the circumstances that gave rise to the revision become known to the management. Provisions for estimated losses, if any, on contracts-in-progress are recorded in the period in which such losses become probable based on the current cost estimates. Contract losses are determined to be the amount by which the estimated total cost to complete exceeds the estimated total revenue that will be generated by the contract and are included in cost of services and classified in other accrued liabilities.

In arrangements involving sharing of customer revenues, revenue is recognized when the amounts are known and the right to receive is established. Incremental revenue from existing contracts arising on future sales to the customers is recognized when it is earned and collectability is reasonably assured.

Revenues from unit-priced contracts are recognized as transactions are processed, based on objective measures of output.

Revenue from product sales are shown net of sales tax and applicable discounts and allowances. Revenue related to product with installation services that are critical to the product is recognized when installation of product at customer site is completed and accepted by the customer. If the revenue for a delivered item is not recognized for non-receipt of acceptance from the customer, the cost of the delivered item continues to be in inventory.

### ***Multiple-element arrangements***

When a sales arrangement contains multiple elements, such as services, hardware and software products and licenses, revenue for each element is determined based on its fair value.

Revenue recognition for delivered elements is limited to the amount that is not contingent on the future delivery of products or services, future performance obligations or subject to customer-specified return or refund privileges.

Revenue from activities in transition services not having standalone value in outsourcing arrangements is deferred and recognized over the period of the arrangement. Direct and incremental costs in relation to such an arrangement are also deferred to the extent of revenue. Certain upfront non-recurring contract acquisition costs incurred in the initial phases of outsourcing contracts are deferred and amortized usually on a straight-line basis, over the term of the contract unless revenues are earned and obligations are fulfilled in a different pattern. The undiscounted cash flows from the arrangement are periodically estimated and compared with the unamortized costs. If the unamortized costs exceed the undiscounted cash flow, a loss is recognized.

In instances when revenue is derived from sales of third-party vendor services,

material or licenses, revenue is recorded on a gross basis when the Group is a principal to the transaction and net of costs when the Group is acting as an agent between the customer and the vendor. Several factors are considered to determine whether the Group is a principal or an agent, most notably whether the Group is the primary obligor to the customer, has established its own pricing, and has inventory and credit risks.

Revenue is recognized net of discounts and allowances, value-added tax and goods & service tax, and includes reimbursement of out-of-pocket expenses, with the corresponding out-of-pocket expenses included in cost of revenues.

Revenue from financing leases is recognized when risk of loss has been transferred to the client and there are no unfulfilled obligations that affect the final acceptance of the arrangement by the client. Revenue from operating leases is accounted on a straight-line basis as service revenue over the rental period. Interest attributable to financing leases included therein is recognized on an accrual basis using the effective interest method.

### ***Interest income***

Interest income for all financial instruments measured at amortized cost is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the EIR, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

### ***Income taxes***

Income tax expense comprises current and deferred income tax.

Income tax expense is recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Provision for income tax includes the impact of provisions established for uncertain income tax positions.

Deferred income tax assets and liabilities recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets and liabilities are recognized for those temporary differences which originate during the tax holiday period are reversed after the tax holiday period. For this purpose, reversal of timing differences is determined using first-in-first-out method.

Deferred tax assets are reviewed at each reporting date and are reduced to the

extent that it is no longer probable that the related tax benefit will be realized. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the year that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognized subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognized in the statement of profit and loss.

In some tax jurisdictions, tax deductions on share based payments to employees are different from the related cumulative remuneration expenses. If the amount of the tax deduction (or estimated future tax deduction) exceeds the amount of the related cumulative remuneration expense, the excess of the associated tax is recognized directly in retained earnings.

### ***Property, plant and equipment***

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. The Group identifies and determines separate useful lives for each major component of the property, plant and equipment, if they have a useful life that is materially different from that of the asset as a whole.

Expenses on existing property, plant and equipment, including day-to-day repairs, maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the year during which such expenses are incurred.

Gains or losses arising from derecognition of assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized. Property, plant and equipment under construction and cost of assets not ready for use at the year-end are disclosed as capital work-in-progress.

### ***Intangible assets***

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Intangible assets are amortized over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

The intangible assets are amortized over the estimated useful life of the assets as mentioned below except certain Licensed IPRs which include the right to modify, enhance or exploit are amortized in proportion to the expected benefits over the useful life which could range up to 15 years

### ***Research and development costs***

Research costs are expensed as incurred. Development expenditure, on an individual project, is recognized as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits



- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. Amortization expense is recognized in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

### ***Borrowing costs***

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### ***Inventory***

Stock-in-trade, stores and spares are valued at the lower of the cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Cost of stock-in-trade procured for specific projects is assigned by identifying individual costs of each item. Cost of stock in- trade, that are interchangeable and not specific to any project and cost of stores and spare parts are determined using the weighted average cost formula.

### ***Impairment of non-financial assets***

#### ***Goodwill***

Goodwill is tested annually on March 31, for impairment, or sooner whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Group's cash generating units (CGU) expected to benefit from the synergies arising from the business combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell

and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU. Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU, pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill recognized in the statement of profit and loss is not reversed in the subsequent period.

### ***Intangible assets and property, plant and equipment***

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the asset exceeds the estimated recoverable amount of the asset.

### ***Provisions***

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows.

### ***Equity settled stock-based compensation***

Stock-based compensation represents the cost related to stock-based awards granted to employees. The Company measures stock-based compensation cost at grant date, based on the estimated fair value of the award and recognizes the cost (net of estimated forfeitures) on a straight line basis over the requisite service period for each separately vesting portion of the award, as if award was in substance, multiple awards. The Company estimates the fair value of stock options using the Black-Scholes valuation model. The cost is recorded under the head employee benefit expense in the statement of profit and loss with corresponding increase in "Share Based Payment Reserve".

### ***Financial Instruments***

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

## Financial assets

All financial assets are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value measured on initial recognition of financial asset. Purchase and sale of financial assets are accounted for at trade date.

### ***Cash and short-term deposits***

Cash and short-term deposits in the balance sheet comprise cash in banks and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

### ***Financial assets at amortized cost***

A financial asset is measured at the amortized cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in other income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss. This category includes cash and bank balances, loans, unbilled revenue, trade and other receivables.

### ***Financial asset at Fair Value through Other Comprehensive Income (OCI)***

A financial asset is classified and measured at fair value through OCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent solely payments of principal and interest.

Financial asset included within the OCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. Interest income is recognized in statement of profit and loss for debt instruments. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from OCI to statement of profit and loss.

### ***Financial assets at Fair Value through Profit and Loss***

Any financial asset, which does not meet the criteria for categorization at amortized cost or at fair value through other comprehensive income, is classified at fair value through profit and loss. Financial assets included at the fair value through profit and loss category are measured at fair value with all changes recognized in the statement of profit and loss.

#### ***Equity investments***

Equity investments, for which sufficient, more recent, information to measure fair value is not available, are measured at cost. Other equity investments in scope of Ind AS 109 are measured at fair value through profit and loss.

Equity investments included within the fair value through profit and loss category are measured at fair value with all changes recognized in the statement of profit and loss.

#### ***Derecognition of financial assets***

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired, or the Group has transferred its rights to receive cash flows from the asset.

#### ***Impairment of financial assets***

The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit and loss. Lifetime ECL allowance is recognized for trade receivables with no significant financing component. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case they are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognized in statement of profit and loss.

### **Financial liabilities**

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade payables, borrowings including bank overdrafts and other payables.

After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method except for deferred consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. Gains and losses are recognized in the statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

### ***Derecognition***

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

### **Derivative financial instruments and hedge accounting**

Foreign exchange forward contracts and options are purchased to mitigate the risk of changes in foreign exchange rates associated with forecast transactions denominated in certain foreign currencies.

The Group recognizes all derivatives as assets or liabilities measured at their fair value. Changes in fair value for derivatives not designated in a hedge accounting relationship are marked to market at each reporting date and the related gains (losses) are recognized in the statement of profit and loss as 'foreign exchange gains (losses)'.

The foreign exchange forward contracts and options in respect of forecast transactions which meet the hedging criteria are designated as cash flow hedges. Changes in the derivative fair values (net of tax) that are designated as effective cash flow hedges are deferred and recorded in the hedging reserve account as a component of accumulated 'other comprehensive income (loss)' until the hedged transaction occurs and are then recognized in the statement of profit and loss. The ineffective portion of hedging derivatives is immediately recognized in the statement of profit and loss.

In respect of derivatives designated as hedges, the Group formally documents all relationships between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also formally assesses both at the inception of the hedge and on an ongoing basis, whether each derivative is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Hedge accounting is discontinued prospectively from the last testing date when (1) it is determined that the derivative financial instrument is no longer effective in offsetting changes in the fair value or cash flows of the underlying exposure being hedged; (2) the derivative financial instrument matures or is sold, terminated or exercised; or (3) it is determined that designating the derivative financial instrument as a hedge is no longer appropriate. When hedge accounting is discontinued the deferred gains or losses on the cash flow hedge remain in 'other comprehensive income (loss)' until the forecast transaction occurs. Any further change in the fair value of the derivative financial instrument is recognized in current year earnings.

### ***Offsetting of financial instruments***

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis to realize the assets and settle the liabilities simultaneously.

### ***Dividend***

Final dividend proposed by the Board of Directors are recognized upon approval by the shareholders who have the right to decrease but not increase the amount of dividend recommended by the Board of Directors. Interim dividends are recognized on declaration by the Board of Directors.

### ***Earnings per share (EPS)***

Basic EPS amounts are computed by dividing the net profit attributable to the equity holders of the parent company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are computed by dividing the net profit attributable to the equity holders of the parent company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares). Dilutive potential equity shares are deemed converted as at the beginning of the year, unless issued at a later date. Dilutive potential equity shares are determined independently for each year presented.

### ***Recently issued accounting pronouncements***

On 28 March 2018, the Ministry of Corporate Affairs (MCA), notified Companies (Indian Accounting Standards) (Amendments) Rules, 2018, amending the following standards:

#### **Appendix B to Ind AS 21, 'Foreign Currency Transactions and Advance Consideration'**

The amendment clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration.

The Appendix is effective for annual periods beginning on or after 1 April 2018. However, since the Group's current practice is in line with the Interpretation, the Group does not expect any effect on its consolidated financial statements.

## **Ind AS 115, Revenue from Contract with Customers**

Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard Ind AS 18 Revenue, Ind AS 11 Construction Contracts. The effective date for adoption of Ind AS 115 is financial periods beginning on or after 1 April 2018.

The core principle of Ind AS 115 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Under Ind AS 115, an entity recognizes revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The standard permits two possible methods of transition:

- Retrospective approach-Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The Group is currently evaluating the impact that the adoption of this new standard will have on its consolidated financial statements.

**TABLE 5. PROPERTY, PLANT AND EQUIPMENT**

Particulars	Computers and Accessories	Total
Gross carrying value as at April 1, 2020	113,566	113,566
Additions	57,808,300	57,808,300
Deletions	-	-
Gross carrying value as at March 31, 2021	57,921,866	57,921,866
Particulars	Computers and Accessories	Total
Accumulated depreciation as on April 1, 2020	-	-
Depreciation	2,958,913	2,958,913
Accumulated depreciation as on deletions	-	-
Accumulated depreciation as on March 31, 2021	2,958,913	2,958,913
Carrying value as at March 31, 2021	54,962,953	54,962,953
Carrying value as at April 1, 2020	113,566	113,566



**TABLE 6. INVESTMENTS, TRADE RECEIVABLES, CASH**

Particulars	As at March 31, 2021	As at March 31, 2020
Current		
Trade receivables Unsecured, Considered good	36,137,765	22,355,855
Total trade receivables	<b>36,137,765</b>	<b>22,355,855</b>
(1) includes dues from companies where directors are interested		

**Note: 3 Cash and cash equivalents**

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with Banks	137,750	484,520
In current and deposit accounts		
Cash on hand	69,052	25,054
Balances with banks- Unpaid dividend accounts	103,172	103,172
	<b>309,974</b>	<b>612,746</b>

**TABLE 7. OTHER CURRENT ASSETS AND EQUITY**

<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Advance Income tax (net of provisions)	57,618,273	56,482,498
Loans and advances to employees	- 481,000	80,000
Rental Advance	279,852	279,852
Advance- Others	590,351	583,800
Receivable from Government authorities	1,878,886	1,878,886
	<b>59,886,362</b>	<b>59,305,036</b>

**Note: 5 Equity**

<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>Authorised Capital</b>		
2,10,00,000 Equity Shares of Rs.10/- each with equa	210,000,000	210,000,000
40,00,000 Preference Shares of Rs.10/- each with	40,000,000	40,000,000
	<b>250,000,000</b>	<b>250,000,000</b>

<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>Issued, Subscribed and paid up</b>		
1,54,57,106 Equity Shares of Rs.10/- each with	154,571,060	123,650,060
3510800 Optionally Convertible Redeemable	4,187,000	35,108,000
	<b>158,758,060</b>	<b>158,758,060</b>

(The paid up share capital includes shares worth Rs. 7,24,920 which were issued by the company in October 1994 for consideration other than cash)

<b>Name of the Share Holder</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Shareholders holding more than 5% of total shares Vasudevan M	50,66,673 40.98%	50,66,673 40.98%
Closing Balance		50,66,673 40.98%

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
At the beginning of the period	15,875,806	15,875,806
Add : Shares issued	-	-
Less : Shares bought back	-	-
At the end of the period	<b>15,875,806</b>	<b>15,875,806</b>

**TABLE 8. TRADE PAYABLES AND OTHER CURRENT LIABILITIES**

<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Trade payables	2,697,665	2,432,703
Asset Purchase Payable	57,500,000	-
<b>Total</b>	<b>60,197,665</b>	<b>2,432,703</b>
<b>Note: 9 Other current liabilities</b>		
<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Unpaid dividends	103,172	103,172
Statutory liabilities	3,288,449	1,258,449
Audit Expenses Payable	480,458	480,458
Gratuity Payable	135,278	135,278
Provision for Dividend on OCRPS	35,685	35,685
Other Current Liabilities	174,579	104,500
<b>Total</b>	<b>4,217,621</b>	<b>2,117,542</b>

**TABLE 9. REVENUE FROM OPERATIONS AND EXPENSES**

<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Sale of Services	9,000,000	11,750,000
<b>Total</b>	<b>9,000,000</b>	<b>11,750,000</b>
<b>Note: 11 Other Income</b>		
<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Payables written off	-	3,755
Foreign exchange gain	-	1,680,105
<b>Total</b>		<b>1,683,861</b>
<b>Note: 12 Employee benefits expense</b>		
<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Salary Expenses	4,011,653	3,345,032
Staff welfare expenses	-	73,942
<b>Total</b>	<b>4,011,653</b>	<b>3,418,974</b>
<b>Note: 13 Depreciation and Amortisation</b>		
<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Depreciation & Amortisation	2,958,913	-
<b>Total</b>	<b>2,958,913</b>	<b>-</b>
<b>Note: 14 Other Expenses</b>		
<b>Particulars</b>	<b>2021</b>	<b>2020</b>
Maintenance expenses	741,000	150,360
Rent - Office	1,292,265	1,083,500
Communication expenses	164,452	270,511
Listing fees	583,200	-
Travel Expenses	-	4,642
Bad debts written off	-	5,000,000
Audit Fee	500,000	500,000
Secretarial & Professional Fees	530,206	1,857,229
Director's Sitting fees	-	15,000
Foreign Exchange Loss	766,092	-
Share Maintenance Charges	24,451	-
ROC Fees	10,800	-
Server Rental expenses	88,500	-
Depository Charges	105,207	-
Other Expenses	-	223,238
Advertisement	55,488	55,716
Bank Charges	6,497	2,224
Rates and Taxes	67,841	-
Administration Expenses	16,500	-
<b>Total</b>	<b>4,952,499</b>	<b>9,162,421</b>