



Realize Your Ideas

October 10, 2017

National Stock Exchange of India Limited,
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E)
Mumbai – 400 051

Dear Sirs,

Sub: Open offer to acquire 32,14,902 Equity Shares of Rs. 10/- (Rupees Ten Only) each of California Software Company Limited ("Target Company") by Mr. Mahalingam Vasudevan ("the Acquirer") in accordance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

In relation to the captioned matter please find enclosed herewith copy of the Recommendation by the Committee of the Independent Directors of the Board (IDC) of the Target Company to the shareholders of the Target Company along with one Compact Disk with the said Recommendation of the IDC in PDF format, under Regulation 26(7) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.

The Recommendation of the IDC is published in the following newspapers on October 10, 2017.

Publications	Language	Editions
Financial Express	English	All Editions
Jansatta	Hindi	All Editions
Mumbai Tarun Bharat	Marathi	Mumbai Edition
Makkal Kural	Tamil	Chennai Edition

Thanking you,

Yours truly,

For California Software Company Limited

Jitendra Kumar Pal
Company Secretary



Encl:

- 1) Copy of the Recommendation of the IDC (Financial Express - English)
- 2) CD containing Recommendation of the IDC in PDF Format.

California Software Company Limited

CIN-L72300TN1992PLC022135

Registered Office: Temple Steps, 3rd Floor, Block I, No.184-187, Anna Salai, Little Mount, Chennai - 600 015, India
Phone: +91 44 4854 0460 | email: jitendrak@calsoftgroup.com | www.calsoftgroup.com

CALIFORNIA SOFTWARE COMPANY LIMITED

CIN: L72300TN1992PLC022135

Registered Office: Temple Steps, Block 1, 3rd Floor, 184-187, Anna Salai, Little Mount, Chennai – 600 015, Tamil Nadu, India.

Tel No.: +91 44 4282 9000 - 5 | **Fax No.:** +91 44 4282 9012

Recommendations of the Committee of Independent Directors constituted by the Board of Directors of California Software Company Limited (**'IDC'**) on the Open Offer to the Shareholders of California Software Company Limited (**'Target Company'**) by Mahalingam Vasudevan (**'Acquirer'**) for acquisition up to 32,14,902 (Thirty-two Lakhs Fourteen Thousand Nine Hundred Two) Equity shares pursuant to Regulation 26(7) of SEBI (SAST) Regulations, 2011.

1. Date	October 10, 2017
2. Name of Target Company	California Software Company Limited
3. Details of the Offer pertaining to Target Company	The Open offer is being made by the Acquirer for substantial acquisition of 32,14,902 (Thirty-two Lakhs Fourteen Thousand Nine Hundred Two) fully paid up Equity Shares representing 26% of the total paid up Equity Share Capital and Voting Capital from the Shareholders of the Target Company at a price of ₹ 8.00 per fully paid up equity share of ₹ 10.00 each payable in cash pursuant to Regulation 3(1) and 4 of SEBI (SAST) Regulations, 2011.
4. Name of the Acquirer	Mahalingam Vasudevan. There is no Person Acting in concert with the Acquirer
5. Name of the Manager to the Offer	Inventre Merchant Banker Services Private Limited 2nd Floor, Viraj Tower, Nr. Andheri Flyover (North End), Western Express Highway, Andheri (East), Mumbai – 400 069. Tel No.: +91 22 3954 8500; Fax No.: +91 22 3954 8511 Email: arvind.gala@inventuregrowth.com Website: www.inventuremerchantbanker.com SEBI Registration No.: INM000012003 Contact Person: Arvind Gala
6. Member of the Committee of Independent Directors ("IDC")	1. Vijayapriya Narayanan (Member) 2. Perakatte Joseph George (Member) Vijayapriya Narayanan is the Chairman of the IDC
7. IDC Member's relationship with the TC (Director, Equity Shares owned, any other contract/ relationship), if any	i. All members of the IDC are Independent and Non-Executive Directors of the Target Company ii. Perakatte Joseph George holds 1,20,000 Equity Shares of the Target Company. iii. Other than their positions as Directors of the Target Company, there are no other contracts or relationships with the Target Company.
8. Trading in the Equity shares/other securities of the TC by IDC Members	None of the IDC member have traded in equity shares of the Target Company during the period of 12 months prior to August 23, 2017 (being the date of Public Announcement) and since then till date.
9. IDC Member's relationship with the acquirer (Director, Equity shares owned, any other contract / relationship), if any.	None of the IDC Members have any relationship with the Acquirer.
10. Trading in the Equity shares / other securities of the Acquirer by IDC Members	Not Applicable.
11. Recommendation on the Open offer, as to whether the offer is fair and reasonable	IDC believes the Offer Price of ₹ 8.00 per equity share is fair and reasonable and in line with the SEBI (SAST) Regulations 2011. However, with regard to reasonableness of the price, IDC would like to draw the attention of shareholders to the current market value of the shares of the Company. The shareholders should independently evaluate the offer and take their own informed decision. They are also advised to seek expert tax opinion before taking decision.
12. Summary of reasons for recommendation	The IDC has reviewed the Public Announcement dated August 23, 2017, the Detailed Public Statement dated August 29, 2017, the Draft Letter of Offer dated September 1, 2017 and Letter of Offer dated October 6, 2017. Closing Market Price per share of the Company as on October 5, 2017 is ₹ 26.60 on BSE and ₹ 23.80 on NSE. The Acquirer has offered a price of ₹ 8.00. As per information mentioned in the Letter of Offer, please note that the Equity Shares of Target Company are infrequently traded on the BSE and NSE within the meaning of explanation provided in regulation 2(1)(j) of the SEBI (SAST) Regulations. This Offer involves substantial acquisition of shares and control over the Company by the Acquirer and change in promoters of the Company. Acquirer has made an offer of 26.00% of the total voting share capital of the Target Company and after the offer Acquire will become the largest shareholder in the Company. Accordingly, the offer is made by the Acquirer in terms of Regulation 3(1) and Regulation 4 of SEBI (SAST) Regulations, 2011. Please note that as per latest audited result available, the Target Company has Negative Return on Net worth. Also, Earnings Per share of the Target Company as on March 31, 2017 is ₹ 1.41. The Book value per share is also negative being ₹ -21.31. Hence the offer price of ₹ 8.00 (Rupees Eight Only) per share is higher than the Book value per share; Accordingly, the IDC Members are of the opinion that the Offer Price of ₹ 8.00 (Rupees Eight Only) offered by the Acquirer is fair and reasonable and in line with the SEBI (SAST) Regulations 2011.
13. Details of Independent Advisors, if any	None
14. Any other matter(s) to be highlighted	None

To the best of our knowledge and belief, after making proper enquiry, the information contained in or accompanying this statement is, in all material respect, true and correct and not misleading, whether by omission of any information or otherwise, and includes all the information required to be disclosed by the Target Company under the SEBI (SAST) Regulations, 2011.

For **CALIFORNIA SOFTWARE COMPANY LIMITED**

Sd/-

Date: October 10, 2017

Place: Chennai

Vijayapriya Narayanan

Chairman of the Committee of Independent Directors