



Realize Your Ideas

# California Software Company Limited

CIN – L72300TN1992PLC022135

Registered Office: Temple Steps, Block 1, Third Floor, No.184-187, Anna Salai, Little Mount, Chennai 600015, India

Phone +91 44 4854 0460

Email: [investor@calsoftgroup.com](mailto:investor@calsoftgroup.com) [www.calsoftgroup.com](http://www.calsoftgroup.com)

Date: 30<sup>th</sup> Nov 2017

|                                                                                                                                                       |                                                                                                                                                               |
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| To<br><b>Listing Department</b><br>Dept. of Corporate Services<br>Bombay Stock Exchange Limited<br>P.J. Towers, Dalal Street, Fort<br>Mumbai: 400 001 | To<br>General Manager<br>National Stock Exchange of India Ltd.,<br>Exchange Plaza, Plot No.C/1, G Block<br>Bandra-Kurla Complex, Bandra (E)<br>Mumbai: 400051 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|

**Respected Sir/Madam,**

Scrip code: 532386/Scrip ID: CALSOFT

Sub: Update on extra-ordinary general meeting

We would like to update you that the Extra Ordinary General Meeting (EGM) of the shareholders of the company will be held on 23rd December 2017.

The Agenda of the Extra Ordinary General Meeting is,

1. Increase in and Reclassification of the Authorised Share Capital
2. Alteration of Articles of Association
3. Acquisition of Cordite PTE Limited
4. Issuance of Equity Shares on Preferential Allotment Basis
5. Conversion of Unsecured Loans into Optionally Convertible Redeemable Preference Shares
6. Issuance of Optionally Convertible Redeemable Preference Shares
7. Investment(s), Loans, Guarantees And Security In Excess of Limits
8. Sale, Transfer or Disposal of the Shares Held by the Company in its Subsidiary
9. Approval of Increase of Equity Investment Percentage to FII's / FPIs
10. Approval of Further Issue of Shares or Convertible Securities to FII's / QIBs
11. Approval of Employee Stock Option (ESOP) Scheme Under SEBI Regulations, 2014

Please find attached notice of EGM for your record.

**Yours Faithfully,**

**For: CALIFORNIA SOFTWARE COMPANY LIMITED**

**JITENDRA KUMAR PAL**  
**COMPANY SECRETARY**





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## NOTICE OF THE EXTRA-ORDINARY GENERAL MEETING

**NOTICE** is hereby given that an Extra-Ordinary General Meeting (EGM) of the Members of the California Software Company Limited to be held on Saturday, the December 23, 2017 at 10.30 A.M at Temple Steps, Block 1, Third Floor, No.184-187, Anna Salai, Little Mount, Chennai 600015, India to transact the following business:

### 1. INCREASE IN AND RECLASSIFICATION OF THE AUTHORISED SHARE CAPITAL OF THE COMPANY

To consider and if thought fit, to pass with or without modifications, the following resolution as a **Special resolution**:

**RESOLVED THAT** in accordance with the provisions of Section 13 and Section 61 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 authorised share capital of the Company be and is hereby increased from **Rs.15,00,00,000/-** (Rupees Fifteen Crores only) to **Rs. 25,00,00,000** (Rupees Twenty Five Crores Only) and altered from Rs.15,00,00,000/- (Rupees Fifteen Crores only) divided into 1,50,00,000 (One Crore and Fifty Lakhs Only) Equity shares of Rs. 10/- (Rupees Ten Only) each to Rs. 21,00,00,000 (Rupees Twenty One Crores Only) divided into 2,10,00,000 (Two 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) Optionally Convertible Redeemable Preference Shares (OCRPS) of Rs. 10/- (Rupees Ten Only) each and consequently the existing Clause V of the memorandum of association of the Company relating to share capital be and is hereby altered by deleting the same and substituting in its place and stead, the following as new Clause V:

V: The Authorised Share Capital of the Company is Rs. 25,00,00,000/- (Rupees Twenty Five Crores Only) divided into Rs. 21,00,00,000 (Rupees Twenty-One Crores Only) divided into 2,10,00,000 (Two 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) Optionally Convertible Redeemable Preference Shares (OCRPS) 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.

## **2. ALTERATION OF ARTICLES OF ASSOCIATION**

To consider and if thought fit, to pass with or without modifications, 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 as mentioned here under:

4. The Authorised Share Capital of the Company is **Rs. 25,00,00,000/-** (Rupees Twenty Five Crores Only) divided into Rs. 21,00,00,000 (Rupees Twenty One Crores Only) divided into 2,10,00,000 (Two 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) Optionally Convertible Redeemable Preference Shares (OCRPS) of Rs. 10/- (Rupees Ten Only) each.

**RESOLVED THAT** the pursuant to the provision of Section 14 and other applicable provision, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) (“Act”) the article of association of the Company be and is hereby altered by inserting a new article as Article 4A after Article 4 of the articles of association of the Company under the heading 'Issue of Optionally Convertible Redeemable Preference Shares.

As per Article 4A the Company has the power to issue Optionally Convertible Redeemable Preference Shares which are eligible to be converted fully or partially into equity shares of the Company in the manner permissible under the Act and the directors may, subject to the provisions of the Act, exercise such powers in any manner as they may think fit.

**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.

### 3. ACQUISITION OF CORDITE PTE LIMITED

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

California Software Company Limited signed a Memorandum of Understanding (MoU) to acquire a 60 % stake in Singapore based **Cordite PTE Limited** which owns 100% **Infinia Services and Solutions DMCC** providing E commerce IT solutions. This acquisition makes Calsoft as global leadership in the sphere of loyalty management and digital solutions. This acquisition makes Infinia as Calsoft's subsidiary.

Calsoft proposed to enter into a **Definitive Agreement with Cordite PTE Limited**, Singapore by the way of share swapping through AD Category – I bank subject to all applicable approvals, permissions and sanctions of the Reserve Bank of India, Ministry of Finance, Ministry of Corporate Affairs, Government of India and other concerned authorities pursuant to which the Cordite PTE Limited shall become a wholly-owned subsidiary of Calsoft.

The Board of Calsoft has approved the **Exchange of 38,00,000 (Thirty Eight Lakhs only) equity shares on preferential bases to Prashant Khattar**, Founder and Managing Director of Cordite PTE Limited and **exchange of 60 % fully diluted equity shares of Cordite PTE Limited** held by Prashant Khattar to Calsoft (**Share Swap Transaction**) on terms and conditions more particularly set out in the Definitive Agreement. This Share Swap Transaction requires approval of the general shareholders meeting and consent of the relevant competent authorities.

**RESOLVED THAT** the California Software Company Limited acquire 60% percent equity shares of Cordite PTE Limited, Singapore by the way of share swapping through AD Category – I bank by exchanging 38,00,000 (Thirty Eight Lakhs only) equity shares on preferential bases to Prashant Khattar, Founder and Managing Director of Cordite PTE Limited and also exchange of 60 % fully diluted equity shares Cordite PTE Limited held by Prashant Khattar to Calsoft on terms and conditions more particularly set out in the Definitive Agreement subject to all applicable approvals, permissions and sanctions of the Reserve Bank of India, Ministry of Finance, Ministry of Corporate Affairs, Government of India and other concerned authorities”.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board of Directors of the Company be and is hereby authorized to finalize and execute all agreements, documents and writings and to do all acts, deeds and things in this connection and incidental thereto as they may in their absolute discretion deem fit to give effect to this resolution.

### 4. ISSUANCE OF EQUITY SHARES ON PREFERENTIAL ALLOTMENT BASIS

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

To Issue up to **38,00,000 (Thirty Eight Lakhs) Equity Shares on a Preferential basis to Prashant Khattar**, Founder and Managing Director of Cordite PTE Limited for the exchange of his 60 % fully diluted equity shares of Cordite PTE Limited to Calsoft (Share Swap Transaction).

**RESOLVED THAT** pursuant to Section 42 and Section 62 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof), and in accordance with the provisions of the Memorandum and Articles of Association of the Company and the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“SEBI (ICDR Regulations)”) and the listing agreements

entered into by the Company with the stock exchanges on which the Company's shares are listed, or any other relevant authority from time to time and Foreign Exchange Management Act, 1999, the Foreign Exchange (Transfer or Issue of Securities by a Person Resident Outside India) Regulations, 2000 and the rules / regulations / guidelines, notifications, circulars, press notes and clarifications issued from time to time by Government of India, the Reserve Bank of India, to the extent applicable and subject to (i) execution of definitive agreements and the conditions therein specified if any and (ii) approvals, consents, permissions and sanctions as might be required and (iii) such conditions as may be prescribed while granting such approvals, consents, permissions and sanctions, which the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee(s) constituted / to be constituted by the Board to exercise its powers including the powers conferred by this Resolution) is hereby authorized to accept, the Board be and hereby authorized to issue, offer and allot up to 38,00,000 equity shares of face value of Rs.10/- each fully paid up amounting to Rs. 3,80,00,000 (Rupees Three Crore and Eighty Lakhs Only) to Mr. Prashant Kattar on such terms as mentioned in the explanatory statement."

- a. 38,00,000 (Thirty Eight Lakhs Only) Equity Shares of face value of Rs.10/- each at a price of Rs. 100/- each (which includes premium of Rs.90/-) to Mr. Prashant Kattar, at a price being not lower than the minimum price calculated in accordance with the Regulations for Preferential Issue contained in Chapter VII of SEBI (ICDR) Regulations as amended.

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

| <b>Name of Applicant<br/>(Proposed Allottee)</b> | <b>PAN of the applicant</b> | <b>Maximum No<br/>of Equity Shares to be allotted</b> |
|--------------------------------------------------|-----------------------------|-------------------------------------------------------|
| Non-Promoter<br>Mr. Prashant Khattar             | AIIPK5348K                  | 38,00,000                                             |

**RESOLVED FURTHER THAT** the issue and allotment of the Equity Shares to Mr. Prashanth Khattar shall be on the following terms and conditions:

- The "relevant date" for the preferential issue, as per the SEBI (ICDR Regulations), as amended from time to time, for the determination of minimum price for the issue of the above mentioned Equity Shares shall be 23 November, 2017, being the date 30 days prior to the date of Extraordinary General Meeting (i.e. 23<sup>th</sup> December, 2017).

**RESOLVED FURTHER THAT**

1. The consideration price of the Equity Shares shall be received from the Allottee's Bank accounts;
2. The Equity Shares to be issued and allotted shall be listed and traded on BSE Limited and The National Stock of India Limited and shall be subject to the provisions of the Memorandum and Articles of Association of the Company;
3. The Equity Shares allotted to Allottee shall rank pari passu with the then existing Equity Shares of the Company, from the date of their allotment. Such new Equity Shares when issued and allotted as aforesaid shall also be entitled for dividend as per the regulations / notifications / clarifications issued by SEBI in this regard;
4. The Equity Shares allotted on a preferential basis shall remain locked in as per the provisions of SEBI (ICDR Regulations), 2009;

5. The Board be and is hereby authorized to accept any modification(s) to or modify the terms of issue of Equity Shares, subject to the provisions of the Act and SEBI (ICDR Regulations), without being required to seek any further consent or approval of the members of the Company.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board be and is hereby authorized, to do all such acts, matters, deeds and things and to take all such steps and to do all such things and give all such directions, as the Board may consider necessary, expedient or desirable, including without limitation, to prescribe the forms of application, allotment, to enter into any agreements or other instruments, and to take such actions or give such directions as may be necessary or desirable and to settle any question or difficulty that may arise with regard to the issue and allotment of Equity Shares.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred by the above resolutions to any Director(s) or to any Committee of the Board or any other Officer(s) of the Company to give effect to the aforesaid resolution.”

## **5. CONVERSION OF UNSECURED LOANS INTO OPTIONALLY CONVERTIBLE REDEEMABLE PREFERENCE SHARES (OCRPS)**

Conversion of **Unsecured Loan into Optionally Convertible Redeemable Preference Shares (OCRPS)** and in this regard to consider and if thought fit, to pass, with or without modification(s), following resolution as a Special Resolution:

The **Unsecured Loan of the Chemoil group of companies is Rs.35,10,79,977/-** as on 31st March 2017 audited Financials (rounded off into Rs. 35,10,80,000).

**“RESOLVED THAT** pursuant to the provisions of the Companies Act, 2013 and the Rules made thereunder and provisions of the SEBI Act, 1992 and rule, regulations, guideline etc. made, issued thereunder and the Listing Regulations, as applicable (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in terms of the Articles of Association of the Company, if any, and subject to such approvals , permissions, sanctions of the appropriate authorities, if required, and on such other terms and conditions as agreed by Board of Directors of the Company (herein after referred to as Board which term shall also include a Committee of Director exercising the powers conferred by the Board), consent of the Members of the Company be and is hereby accorded to Board of Directors to convert unsecured loan of Rs. 35,10,80,000/-(Rupees Thirty Five Crores Ten Lakhs Eighty Thousand Only) taken from Chemoil Group of Companies (Chemoil Advanced Management Services Private Limited, Chemoil International Pte Limited and Chemoil Europe B.V) (herein after referred to as Chemoil) into Optionally Convertible Redeemable Preference Shares of the Company.

**RESOLVED FURTHER THAT** the Board of Director of the Company be and is hereby authorized to finalise with the lender the terms of the aforesaid conversion of unsecured loan into the Optionally Convertible Redeemable Preference Shares of the Company.

**RESOLVED FURTHER THAT** the Board is also authorized to do such acts, deeds, matters and things as may be required to give effect to the said conversion.

## 6. ISSUANCE OF OPTIONALLY CONVERTIBLE REDEEMABLE PREFERENCE SHARES (OCRPS)

Conversion of Unsecured Loan into Optionally Convertible Redeemable Preference Shares (OCRPS) and in this regard to consider and if thought fit, to pass, with or without modification(s), following resolution as a Special Resolution:

The Unsecured Loan of the Chemoil Group of Companies is Rs.35,10,79,977/- as on 31st March 2017 audited Financials (Rounded off into Rs. 35,10,80,000/-, Rupees Thirty Five Crores Ten Lakhs Eighty Thousand Only).

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

- a. 35,10,800 (Thirty Five Lakhs Ten Thousand and Eight Hundred Only) Optionally Convertible Redeemable Preference Shares of face value of Rs.10/- each at a price of Rs. 100/- each (which includes premium of Rs.90) (herein after referred to as “OCRPS”) to the Chemoil Advanced Management Services Private Limited, which is convertible into, upto 35,10,800 (Thirty Five Lakhs Ten Thousand and Eight Hundred Only) equity shares of face value of Rs. 10/- each at a price being not lower than the minimum price calculated in accordance with the Regulations for Preferential Issue contained in Chapter VII of SEBI (ICDR) Regulations as amended.

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

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

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

**RESOLVED FURTHER THAT** the aforesaid OCRPS be converted at the option of the issuer at any time within 30 months from the date of issue, in one or more than one tranche.

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

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

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

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

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

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

**RESOLVED FURTHER THAT** for the purpose of creating, issuing, offering and allotting the equity shares, OCRPS, equity shares on conversion of the OCRPS of the Company the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, desirable or appropriate to give effect to this resolution in all



respects and in particular to settle any questions, difficulties or doubts that may arise with regard to the offering, issuing and allotting of equity shares, OCRPS, equity shares on conversion of the OCRPS of the Company, as it may, in its absolute discretion, deem fit and proper.

**RESOLVED FURTHER THAT** the Board of Director of the Company be and is hereby authorized to finalise with the Chemoil the terms of the aforesaid conversion of unsecured loan into the Optionally Convertible Redeemable Preference Shares of the Company.

**RESOLVED FURTHER THAT** the Board is also authorized to do such acts, deeds, matters and things as may be required to give effect to the said conversion.”

## **7. INVESTMENT(S), LOANS, GUARANTEES AND SECURITY IN EXCESS OF LIMITS SPECIFIED UNDER SECTION 186 OF COMPANIES ACT, 2013**

To consider and approve, the following resolution with or without modification, as a Special Resolution:

**RESOLVED THAT** pursuant to Section 186(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification thereof for the time being in force and as may be enacted from time to time), and in terms of Articles of Association of the Company and subject to such approvals, consents, sanctions and permissions as may be necessary, the consent of the members be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute for this purpose or any person(s) authorized by the Board) for making investment(s) in excess of limits specified under section 186 of Companies Act, 2013 from time to time in acquisition of securities of any body corporate or for giving loans, guarantees or providing securities to any body corporate or other person / entity whether in India or outside India, as may be considered appropriate for an amount not exceeding Rs.500 crore (Rupees Five hundred crore only), notwithstanding that such investment and acquisition together with the Company's existing investments in all other bodies corporate, loans and guarantees given and securities provided shall be in excess of the limits prescribed under section 186(3), of the Companies Act, 2013 subject to all applicable approvals, permissions and sanctions of the Reserve Bank of India, Ministry of Finance, Ministry of Corporate Affairs, Government of India and other concerned authorities.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board of Directors of the Company be and is hereby authorized to finalize and execute all agreements, documents and writings and to do all acts, deeds and things in this connection and incidental thereto as they may in their absolute discretion deem fit to give effect to this resolution.

## **8. SALE, TRANSFER OR DISPOSAL OF THE SHARES HELD BY THE COMPANY IN ITS**

### **SUBSIDIARY**

To consider and approve, the following resolution with or without modification, as a Special Resolution:

**RESOLVED THAT** in accordance with Regulation 24 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (“LODR”) and further pursuant to Section 110 and any other applicable provision of the Companies Act, 2013, the rules thereunder, including any statutory modifications and amendments to each of the foregoing, and applicable notifications, clarifications, circulars, rules and regulations issued by the Government of India or other government or statutory authorities, and subject to the Memorandum and Articles of Association of the Company, the requisite approvals, if any, of any relevant statutory, regulatory or government authorities, and further subject to such terms and conditions as may be prescribed by any of the aforesaid authorities while granting such approvals, the consent, approval of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “Board”, which term shall include any committee of directors constituted by the Board) to sell or transfer or otherwise dispose of its entire investment in its subsidiary, Aspire Communications Private Limited (“ACPL”).

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds and things as may be necessary from time to time for giving effect to the above resolution.”

## **9. APPROVAL OF INCREASE OF EQUITY INVESTMENT PERCENTAGE TO FOREIGN INSTITUTIONAL INVESTORS (FIIS) / FOREIGN PORTFOLIO INVESTORS (FPIs)**

To consider and, if thought fit, pass with or without modification, the following resolution as special resolution:

**RESOLVED THAT** in supersession of the earlier resolution passed and pursuant to the applicable provisions of the Foreign Exchange Management Act, 1999, the Companies Act, 2013, to the extent applicable, the Consolidated Foreign Direct Investment Policy Circular of 2014 (“Consolidated FDI Policy”), as amended, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended and subject to the approval of the members of the Company and all other applicable laws, rules, regulations, guidelines and subject to the approvals, consents and permissions of the Government of India, the Foreign Investment Promotion Board, the Reserve Bank of India (“RBI”) and any other appropriate authorities, institutions or bodies as may be necessary and subject to such conditions and modifications as may be prescribed, stipulated or imposed by any of the concerned authorities while granting such approvals, permissions and sanctions and the like, which may be agreed to by the board of directors of the Company including any committee which the Board has constituted or will constitute (the “Board”) to exercise its powers including the power conferred by any resolution, the consent, authority and approval of the Company be and is hereby accorded to the Board to permit Foreign Institutional Investors (“FIIs”) or Foreign Portfolio Investors (“FPIs”) registered with the Securities and Exchange Board of India (“SEBI”) or NRI/Foreign Nationals to purchase or acquire, on their own account and/or on behalf of their SEBI approved subaccounts, equity shares of the Company, on the recognized stock exchange or in any other manner, subject to the condition that the aggregate holding of the FIIs/FPIs or NRI/Foreign Nationals shall not **exceed 75 %** of the paid up equity share capital of the Company or such other limit as may be stipulated by Reserve Bank of India in each case, from time to time.

## **10. APPROVAL OF FURTHER ISSUE OF SHARES OR CONVERTIBLE SECURITIES TO FOREIGN INSTITUTIONAL INVESTORS (FIIS)/ QUALIFIED INSTITUTIONAL BUYERS (QIBs)**

To consider and if thought fit, to pass with or without modification, the following resolution as a **special resolution**:

**RESOLVED THAT**, pursuant to provisions of Section 42 and 62 (1)(c) and all other applicable provisions and rules, if any, of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted from time to time (the “Act”) and in accordance with the provisions of the Memorandum and Articles of Association of the Company, Listing Agreements entered into by the Company with the Stock Exchanges where the Equity Shares of the Company are listed, and in accordance with the regulations/guidelines issued by the Government of India (“GOI”), the Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI) and/or any other competent authorities and clarifications thereof, issued from time to time, the applicable provisions of the Foreign Exchange Management Act, 1999 (FEMA) as amended, the Foreign Exchange management (Transfer or issue of Security by a Person Resident Outside India) Regulations, 2000, the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended up to date and subject to such approvals, consents, permissions and sanctions of the Ministry of Finance (Department of Economic Affairs), the Ministry of Commerce & Industry (Foreign Investment Promotion Board / Secretariat for Industrial Assistance), Government of India (GOI), SEBI, RBI, Stock Exchanges and all other appropriate authorities, institutions or bodies and subject to such conditions and modification(s) as may be prescribed by them while granting such approvals, consents, permissions and sanctions, to the extent applicable, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board” which expression shall be deemed to include any committee(s), constituted/to be constituted by the Board to exercise its powers including the powers conferred by this resolution), consent of the members be and is hereby accorded to the Board to create, issue, offer and allot (including with provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons, as may be permitted) either in India or in the course of international offering(s) in one or more foreign markets, Equity Shares of the Company with a face value of Rs. 10/- (Rupees Ten Only) each (the “Equity Shares”), Global Depository Receipts (GDRs), American Depository Receipts (“ADRs”), Foreign Currency Convertible Bonds (FCCBs) and/ or other financial instruments convertible into Equity Shares (including warrants, or otherwise), fully convertible debentures, partly convertible debentures, non-convertible debentures with warrants and/ or convertible preference shares or any security convertible into Equity Shares (all of which are hereinafter collectively referred to as the “Securities”) or any combination of Securities, in one or more tranches, through public and/or private offerings and/or on preferential allotment basis or any combination thereof or by issue of prospectus and/or placement document/or other permissible/requisite offer document to any eligible person(s), including but not limited to **Foreign Institutional Investors (“FIIs”), Foreign Portfolio Investors (“FPIs”), Qualified Institutional Buyers** in accordance with Chapter VIII of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009, as amended from time to time (“ICDR Regulations”), or otherwise, **foreign/resident investors (whether institutions, incorporated bodies, mutual funds, individuals or otherwise), venture capital funds (foreign or Indian), foreign institutional investors, Indian and/or multilateral financial institutions, mutual funds, pension funds, and/or any other categories of investors (collectively called the “Investors”)** whether or not such Investors are members of the Company, as may be decided by the Board at its discretion and permitted under applicable laws and regulations for an aggregate amount **not exceeding Rs. 500,00,00,000/- (Rupees Five Hundred Crore Only)** or its equivalent of any other foreign currencies inclusive of such premium as may be fixed on such Securities by offering the Securities through public issue(s), private placement(s), or a

combination thereof at such a time or times, at a discount (including but not limited to any discount as may be permitted under Chapter VIII of the SEBI ICDR Regulations) or a premium permitted under applicable laws, as may be deemed appropriate by the Board at its absolute discretion at the time of issue and allotment of the Securities considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with Book Running Lead Manager(s) and/ or underwriter(s) and/or other advisor(s) for such issue.

**RESOLVED FURTHER THAT** if any issue of Securities is made by way of a **Qualified Institutions Placement (“QIP”)** in terms of Chapter VIII of the SEBI ICDR Regulations, the allotment of Securities, or any combination of Securities as may be decided by the Board shall be completed within twelve months from the date of this Resolution or such other time as may be allowed under the SEBI ICDR Regulations from time to time at such a price being not less than the price determined in accordance with the pricing formula provided under Chapter VIII of the SEBI ICDR Regulations as may be amended from time to time and the Securities shall not be eligible to be sold for a period of twelve months from the date of allotment, except on a recognized stock exchange, or except as may be permitted from time to time under the SEBI ICDR Regulations. The Company may, in accordance with applicable law, offer a discount of not more than 5% or such percentage as permitted under applicable law on the price calculated in accordance with the pricing formula provided under the SEBI ICDR Regulations as may be amended from time to time.

**RESOLVED FURTHER THAT** subject to the approval of the shareholders, in the event of issue of Securities by way of Qualified Institutions Placement the Relevant Date on the basis of which the price of the Securities shall be determined as specified under SEBI Regulations, shall be the date of the meeting in which the Board or the Committee of Directors duly authorized by the Board decides to open the proposed issue for Securities or such other time as may be decided by the Board and as permitted by the SEBI Regulations, subject to any relevant provisions of applicable laws, rules and regulations as amended from time to time, in relation to the proposed issue of the Securities.

**RESOLVED FURTHER THAT** in pursuance of this resolution and subject to the approval of the shareholders, the Securities to be, created, issued, offered and allotted shall be subject to the following terms and conditions:

- (a) The Securities shall be subject to the provisions of Memorandum and Articles of Association of the Company and in accordance with the terms of this resolution;
- (b) The issue shall rank *pari passu* with the existing Equity Shares of the Company in all respects including the entitlement of dividend;
- (c) The number and/or price of the Securities or the underlying Equity Shares issued on conversion of Securities convertible into Equity Shares shall be appropriately adjusted for corporate actions such as bonus issue, rights issue, stock split, merger, demerger, transfer of undertaking, sale of division or any such capital or corporate restructuring.

**RESOLVED FURTHER THAT** subject to the approval of the shareholders, the Board be and is hereby authorized to finalize and approve the offering circular/placement document for the proposed issue of the Securities and to authorize any director or directors of the Company or any other officer or officers of the Company to sign the above documents for and on behalf of the Company together with the authority to amend, vary or modify the same as such authorized persons may consider necessary, desirable or expedient and for the purpose aforesaid to give such declarations, affidavits, certificates, consents and/ or authorities as may, in the opinion of such authorized person, be required from time to time, and to arrange for the submission of the offering circular/placement document, and any

amendments and supplements thereto with any applicable stock exchanges (whether in India or abroad), government and regulatory authorities, institutions or bodies, as may be required.

**RESOLVED FURTHER THAT** subject to the approval of the shareholders and the applicable laws, for the purpose of giving effect to the issuance of Securities, the Board or any committee of the Board is hereby authorised on behalf of the Company to do all such acts, deeds and things thereof in its absolute discretion as it deems necessary or desirable in connection with the issue of the Securities, including, without limitation to the following:

- (a) decide the date for the opening and closing of the issue of Securities, including determining the form and manner of the issue, including the class of investors to whom the Securities are to be issued and allotted, number of Securities to be allotted, issue price, face value, execution of various transaction documents;
- (b) finalisation of the allotment of the Securities on the basis of the subscriptions received;
- (c) finalisation of and arrangement for the submission of the preliminary and final offering circulars/ prospectus(es)/offer document(s), and any amendments and supplements thereto, with any applicable government and regulatory authorities, institutions or bodies, as may be required;
- (d) approval of the preliminary and final offering circulars/placement document/prospectus/Offer document (including amending, varying or modifying the same, as may be considered desirable or expedient) as finalised in consultation with the Book Running Lead Managers/Underwriters/ Advisors, in accordance with all applicable rules, regulations and guidelines;
- (e) entering into any arrangement for managing, underwriting and marketing the proposed offering of Securities and to appoint, in its absolute discretion, managers (including lead managers), investment bankers, merchant bankers, underwriters, guarantors, financial and/or legal advisors, depositories, custodians, paying and conversion agents, listing agents, escrow banks/agents and sign all applications, filings, deeds, documents, memorandum of understanding and agreements with any such entities and to pay any fees, commissions, remunerations, and expenses in connection with the proposed offering of the Securities;
- (f) approval of the deposit agreement(s), the purchase/underwriting agreement(s), the trust deed(s), the indenture(s), the master/global GDRs/ADRs/FCCBS/other certificate representing the Securities, letters of allotment, listing application, engagement letter(s), memoranda of understanding and any other agreements or documents, as may be necessary in connection with the issue/offering (including amending, varying or modifying the same, as may be considered desirable or expedient), in accordance with all applicable laws, rules, regulations and guidelines;
- (g) finalisation of the basis of allotment in the event of oversubscription;
- (h) authorisation of any director or directors of the Company or other officer or officers of the Company, including by the grant of power of attorneys, to do such acts, deeds and things as the authorised person in its absolute discretion may deem necessary or desirable in connection with the issue and allotment of the securities;
- (i) seeking, if required, the consent of the Company's lenders, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents that may be required in connection with the issue and allotment of the Securities;

- (j) seeking the listing of the Securities on any Indian or international stock exchange, submitting the listing application to such stock exchange and taking all actions that may be necessary in connection with obtaining such listing;
- (k) deciding the pricing and terms of the Securities, and all other related matters, including taking any action on two way fungibility for conversion of underlying equity shares into FCCBs/GDRs/ ADRs, as per applicable laws, regulations or guidelines;
- (l) open one or more bank accounts in the name of the Company in Indian currency or foreign currency(ies) with such bank or banks in India and/or such foreign countries as may be required in connection with the aforesaid issue, including with any escrow bank;
- (m) to settle all questions, difficulties or doubts that may arise in regard to such issue(s) or allotments and utilization of the issue proceeds as it may, in its absolute discretion deem fit, without being required to seek any further consent or approval of the member or otherwise, to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution, and accordingly any such action, decision or direction of the Board shall be binding on all the members of the Company; and
- (n) all such acts, deeds, matters and things as the Committee may, in its absolute discretion, consider necessary, proper, expedient, desirable or appropriate for making the said issue as aforesaid and to settle any question, query, doubt or difficulty that may arise in this regard including the power to allot under subscribed portion, if any, in such manner and to such persons(s) as the Board, may deem fit and proper in its absolute discretion to be most beneficial to the Company.

**RESOLVED FURTHER THAT** subject to the approval of the shareholders, the Company may enter into any arrangement with any agency or body authorized by the Company for the issue of depositary receipts representing the underlying equity shares issued by the Company in registered or bearer form with such features and attributes as are prevalent in international capital markets for instruments of this nature and to provide for the tradability or free transferability thereof as per international practices and regulations (including listing on one or more stock exchange(s) inside or outside India) and under the forms and practices prevalent in the international markets.

**RESOLVED FURTHER THAT** without prejudice to the generality of the above, and subject to the approval of the shareholders, the aforesaid issue of Securities may have all or any of the terms or combinations of the terms in accordance with the prevalent market practice including but not limited to terms and conditions relating to payment of interest, dividend, premium or the redemption at the option of the Company and/or holders of any Securities including terms or issue of additional equity shares or variations of the price or period of conversion of Securities into equity shares or issue of equity shares during the period of the Securities or terms pertaining to voting rights or option(s) for early redemption of Securities. Provided that the issue of all Equity Shares referred to above shall rank pari passu with the existing Equity Shares of the Company in all respects, including the entitlement of dividend.

**RESOLVED FURTHER THAT** subject to the approval of the shareholders, the Board be and is hereby authorised to delegate all or any of the powers herein conferred on it, to any committee of Directors, any other one or more Director(s) of the Company to give effect to the aforesaid resolution and thereby such committee of Directors or one or more such Directors as authorised are empowered to take such steps and to do all such acts, deeds, matters and things and accept any alterations or

modifications as they may deem fit and proper and give such directions as may be necessary to settle any question or difficulty that may arise in this regard.”

## **11. APPROVAL OF EMPLOYEE STOCK OPTION (ESOP) SCHEME UNDER SEBI (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014**

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

**RESOLVED THAT** pursuant to section 62(1)(b) of the Companies Act, 2013 read with rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and all other applicable provisions of the Companies Act, 2013, including any statutory modification or re-enactment thereof, for the time being in force and subject to SEBI (Share Based Employee Benefits) Regulations, 2014 and subject to such approvals, permissions, sanctions and subject to such conditions and modifications as may be prescribed or imposed by the above authorities while granting such approval, permissions and sanctions, approval and consent of the company be and is hereby accorded to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any committee including ESOP Compensation Committee of the Board) to introduce, offer and implement the proposed ESOP Scheme, the salient features of which are detailed in the Explanatory Statement to this notice and to create, offer, issue and allot in one or more tranches to the present and future employees of the Company selected on the basis of criteria prescribed by the Board in accordance with the SEBI guidelines, hereinafter referred to as “the Eligible Employees” under the said proposed ESOP Scheme such number of options as the Board may decide which could give rise to the issue of equity shares of nominal face value not exceeding Rs. 50,00,000/- divided into 5,00,000 equity shares of the face value of Rs.10/- each on such terms and conditions described below : The offer shall be in accordance with the terms and conditions as regards price, payment, application, allotment, entitlement to dividend and other rights, transferability and all other matters as stipulated by the SEBI Guidelines and other guidelines, rules, regulations and laws to the extent applicable and subject also to the Memorandum and Articles of Association of the Company provided that:

- The equity shares issued upon exercise of the Options shall rank pari passu in all respects with the existing equity shares of the Company including the entitlement of dividend.
- Each Option granted to eligible employees shall be convertible into one equity share of nominal value of Rs.10/- each on payment of a price of Rs.10/- (Rupees Ten only) per option and subject to any regulation or guidelines of the SEBI in regard to the pricing of the Options, as applicable from time to time.
- Each option shall be vested in the Option Holder after a minimum period of 1 year from the date of grant of the Option.
- The Options shall be valid and exercisable for five years from the date of vesting.
- The consideration for the shares to be issued upon exercise of an Option, may as determined by the Board at the time of granting the Options, consist of cash, cheque or consideration received by the Company under a cashless exercise program implemented by the Company or any combination of the foregoing methods of payment.
- No employee shall, during any fiscal year of the Company, be granted Options exceeding the limit fixed by the SEBI or any other relevant regulation as is applicable to such options.
- The Company shall conform to the accounting policies mandated by applicable law or regulations of the SEBI or any other relevant regulation as is applicable to the accounting of such options.

**RESOLVED FURTHER THAT** the Board is also authorised to take necessary steps for listing of the shares allotted under the Scheme, on the Stock Exchanges where the Company's equity shares are listed as per the terms and conditions of the Listing Agreement with the concerned Stock Exchanges and other applicable guidelines, rules and regulations.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to formulate, evolve, decide upon and bring into effect the ESOP Scheme on such terms and conditions as contained in the relevant explanatory statement to this notice and to make any modification(s), change(s), variation(s), alteration(s) or revision(s) in terms and conditions of the scheme from time to time including but not limited to amendments with respect to vesting period, exercise price, eligibility criteria, vesting schedule or to suspend, withdraw or revive the ESOP Scheme subject to the condition that it is not detrimental to the interests of the employees

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its absolute discretion deem necessary or desirable and to appoint consultants, advisors, etc. and pay fees and commission and incur expenses in relation thereto.

**RESOLVED FURTHER THAT** the said equity shares may be allotted in accordance with the Plan framed in that behalf, directly to such employees or through a Trust which may be set up in any permissible manner or to the Trust to be held on behalf of such employees and that the Plan may also envisage for providing any financial assistance to the employees or the Trust to enable the employees / Trust to acquire, purchase or subscribe to the said equity shares of the Company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to settle all questions, difficulties or doubts that may arise in relation to the implementation of the Plan and to the shares issued herein without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by authority of this resolution.

**RESOLVED FURTHER THAT** in case the Company's Equity Share capital or its valuation is effected due to any corporate action like issue of Bonus / Rights shares, stock split, consolidation, merger, restructuring or any such event happening subsequent to the grant of options, the Board shall have the discretion to make appropriate amendments to the scheme including change in number of options, the exercise price or floating a new scheme / extend the application of the existing scheme or any other fair and just mechanism including acceleration of options, in accordance with Law, if deemed necessary, while striving to ensure that the rights of employees are not affected.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any powers conferred herein to any committee, with power to sub-delegate to any Executives/Officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings etc., as may be necessary in this regard.

By order of the Board  
For **California Software Company Limited**

Place: Chennai  
Date: 14th November 2017

**Dr. M. Vasudevan**  
Director



**Notes:**

- a. Statement pursuant to Section 102 of the Companies Act, 2013, setting out material facts relating to the Special Business to be transacted at the Extra Ordinary General Meeting (EGM) is annexed hereto.
- b. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and such proxy need not be a member of the company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. A proxy form is sent herewith.
- c. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
- d. Corporate Members intending to send their authorised representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified copy of the relevant Board resolution together with their respective specimen signatures authorising their representative(s) to attend and vote on their behalf at the Meeting.
- e. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at Company's Registered Office on all working days (except Saturdays, Sundays and Public Holidays) between 11:00 a. m. to 1:00 p.m. upto the date of the Extraordinary General Meeting.
- f. Electronic copy of the Notice of the Extraordinary General Meeting of the Company, inter-alia, indicating the process and manner for e-voting, along with the Attendance Slip and Proxy Form is being sent by electronic mode to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes, unless any member has requested for a hard copy of the same. Members other than above, physical copies of the Notice of the Extraordinary General Meeting of the Company, inter-alia, indicating the process and manner for e-voting, along with the Attendance Slip and Proxy Form is being sent by the permitted mode
- g. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: investor@calsoftgroup.com
- h. Members/Proxies should bring duly filled in Attendance Slip in the form annexed hereto and tender the same at the entrance of the meeting hall.
- i. Representative of corporate members should send/carry a duly certified copy of the Board Resolution/Power of Attorney authorizing the attendance and voting at the meeting.
- j. Members are requested to send their queries, if any, at least seven days in advance to the extent possible, so that the information could be made available at the meeting.

## VOTING THROUGH ELECTRONICS MEANS

The businesses as set out in the Notice may be transacted through electronic voting system under Section 108 of the Companies Act, 2013, read with Rule 20 of Companies (Management and Administration) Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015,. The Company is pleased to offer the facility of voting through electronic means, as an alternate, to all its Members to enable them to cast their votes electronically instead of casting their vote at the Meeting. Please note that the voting through electronic means is optional.

1. The voting through electronic means will commence on Wednesday, 20<sup>th</sup> December 2017 10:00 a.m. and will end on Friday, 22<sup>nd</sup> December 2017 at 5:00 p.m. The Members will not be able to cast their vote electronically beyond the date and time mentioned above. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on cut-off date (record date) i.e. December 16, 2017 may cast their vote electronically. The e-Voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
2. The Company has appointed Mr. V. S. Sowrirajan, Practicing Company Secretary to act as the Scrutinizer for conducting the electronic voting process in a fair and transparent manner.
3. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witness not in the employment of the company and make, not later than three days of the conclusion of the meeting, 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.
4. The facility for voting through polling paper shall be made available at the EGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through polling paper.
5. A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
6. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.calsoftgroup.com](http://www.calsoftgroup.com) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) within two days of the passing of the resolutions at the EGM of the Company and communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.
7. **The procedure and instructions for the voting through electronic means is, as follows:**
  - A. In case of Shareholders' receiving e-mail from NSDL
    - a. 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.
    - b. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
    - c. Click on "Shareholder – Login".

- d. Insert user ID and password as initial password noted in step (i) above. Click Login.
- e. 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.
- f. Home page of e-Voting opens. Click on e-Voting: Active Evoting Cycles.
- g. Select "EVEN" of California Software Company Limited.
- h. Now you are ready for e-Voting as Cast Vote page opens
- i. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- j. Upon confirmation, the message "Vote cast successfully" will be displayed.
- k. Once you have voted on the resolution, you will not be allowed to modify your vote.
- l. For the votes to be considered valid, the institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at [jitendrak@calsoftgroup.com](mailto:jitendrak@calsoftgroup.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- m. In case a member receives physical copy of the Notice of EGM (For members whose email IDs are not registered with the Company / Depository Participant (s) or requesting physical copy.
- n. Initial password is provided as below/at the bottom of attendance Form.

| EVEN<br>(Remote E Voting Event Number) | USER ID | PASSWORD/PIN |
|----------------------------------------|---------|--------------|
|                                        |         |              |

**B. 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).
- C. The e-voting period commences on Wednesday, the 20th December 2017 (10.00 am) and ends on Friday, the 22<sup>nd</sup> December 2017 (5.00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the

cut-off date of 16th December 2017 , may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it.

- D. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period / unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- E. The Results shall be declared on or after the Extra Ordinary General Meeting of the Company and shall be deemed to be passed on the date of Extra Ordinary General Meeting. The results alongwith the Scrutinizer's Report shall be placed on the website of the Company [www.calsoftgroup.com](http://www.calsoftgroup.com) within 2 days of passing of the resolutions at the Extra Ordinary General Meeting of the Company and shall be communicated to BSE Limited and National Stock Exchange of India Limited.
- F. All documents referred to in the accompanying Notice and the Explanatory Statements are open for inspection at the Registered Office of the Company between 10.00 A.M. and 1.00 P.M. on working days up to 23rd December 2017.
- G. Statement under Section 102 (2) of the Companies Act, 2013 is annexed to this Notice.

By order of the Board

For **California Software Company Limited**

Place: Chennai

Date: 14<sup>th</sup> November 2017

**Dr. M. Vasudevan**

Director

## ANNEXURE TO THE NOTICE

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

An explanatory statement pursuant to Section 102 of the Companies Act, 2013, in respect of items nos. 1 to 11 of the notice setting out all the material facts and reasons thereto is annexed hereto.

#### ITEM No. 1 AND 2:

##### **INCREASE IN AND RECLASSIFICATION OF THE AUTHORISED SHARE CAPITAL OF THE COMPANY AND ALTERATION OF ARTICLES OF ASSOCIATION**

The Company proposes to raise additional funds for the acquisitions and operations of the company to the tune of **Rs.250 crores over the period of 12 months**. The Existing Authorised Share Capital is insufficient to raise this capital.

The resolution set out at Item No. 1 seeks to alter the capital clause of the memorandum of association of the Company by increasing the authorised share capital from **Rs.15,00,00,000/-** (Rupees Fifteen Crores only) divided into **1,50,00,000** (One Crore and Fifty Lakhs Only) Equity shares of Rs. 10/- (Rupees Ten Only) each to **Rs. 21,00,00,000** (Rupees Twenty-One Crores Only) divided into **2,10,00,000** (Two Crore 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) Optionally Convertible Redeemable Preference Shares of Rs. 10/- (Rupees Ten Only) each.

Resolution set out at Item No. 4 and 6 and is relating to issue of Equity Shares and Optionally Convertible Redeemable Preference Shares and conversion thereof into Equity Shares, therefore, it is necessary to amend the capital clause of the memorandum of association of the Company. Pursuant to Sections 13 and 61 of the Companies Act, 2013, the Company is required to obtain approval of its shareholders by means of a special resolution to carry out amendments to the memorandum of association of the Company and special resolution to carry out amendments to the articles of association of the Company. The Board of Directors accordingly recommends the resolutions in Item No.1 for your approval by way of a special resolution and Item No. 2 for your approval by way of a special resolution.

None of the Directors and/or Key Managerial Personnel of the Company and/ or their relatives is deemed to be, in any way concerned or interested, financially or otherwise in the said resolution except to the extent of their shareholding, if any, in the Company.

#### ITEM No.3: ACQUISITION OF CORDITE PTE LIMITED

In consideration of the direction of long-term development, and to consolidate resources, increase economies of scale and improve the Company's competitiveness, the Company, after negotiating the relevant transaction terms and execution details, has executed a MOU with Cordite PTE Limited shall acquire **60% of the all of the issued and outstanding common shares on fully diluted bases of Cordite PTE Limited**, whereby the Cordite PTE Limited shall become a **wholly-owned subsidiary of Calsoft** (the "Share Swap Transaction") on terms and conditions more particularly set out in the Definitive Agreement. Calsoft subsequently will designate any AD Category – I bank to conduct the share swap with the Company and such has been confirmed by the Company's Board of Directors.

The synergy created by the Share Swap Transaction and Investment is expected to positively affect net asset value and earnings per share. However, since the Cordite PTE Limited shall become a wholly-owned subsidiary of Calsoft and also Prashant Khattar, Founder and Managing Director of Cordite PTE Limited shall directly hold 23.50 % of the Company's shares upon the closing of the Share Swap Transaction, the effect on net asset value and earnings per share shall be applicable to all share holders.

The Share Swap Transaction is **expected to close in the first quarter of 2018**. Pursuant to relevant laws and regulations, after the Company receives approval of the Share Swap Transaction from a shareholders' meeting and also all competent authorities.

The closing of the Share Swap Transaction is subject to fulfillment of many conditions precedent, including but not limited to the passage of the proposal at the Company's shareholders' meeting and approval of competent authorities.

The Company's audit committee has, pursuant to the **Business Mergers and Acquisitions Act** and Regulations Governing the Establishment and Related Matters of Special Committee of Public Companies for Merger and Acquisition and other relevant regulations, exercised the authority of the special mergers and acquisitions committee to assist with the issuance of a fairness opinion on the reasonableness of the price of the Company's common shares.

Calsoft assessed that the reasonable price range for each share of the Company's common shares is between **Rs. 80/- and Rs. 120/-**. The Audit Committee reviewed the fairness and reasonableness of the Share Swap Transaction and submitted its review report to the Board of Directors for review. The consideration of **Rs. 100/-per common share** and conditions proposed by Cordite PTE Limited for the Share Swap Transaction should be considered reasonable.

It is proposed that the shareholders' meeting approves the Share Swap Transaction and the Share Swap Agreement and fully authorizes the Board of Directors and any director and/or a designated person representing the Company with full authority to handle all relevant matters concerning the Share Swap Transaction, including but not limited to preparing, negotiating, executing or amending other documents and agreements relevant to the Share Swap Transaction, applying to or filing with the competent authorities pursuant to the laws, handling other matters relating to the Share Swap Agreement and performing or adjusting post-Share Swap Transaction matters or closing matters.

If the contents of the Share Swap Agreement need to be amended pursuant to laws and regulations, interpretations by competent authorities or factual reasons, it is proposed that the shareholders' meeting fully authorizes the Board of Directors to handle such matters pursuant to the Share Swap Agreement and relevant laws and regulations.

None of the directors and/or key managerial personnel of the company and /or their relatives is deemed to be, in any way concerned or interested, financially or otherwise in the said resolution except to the extent of their shareholding if any, in the company.

#### **ITEM No. 4: ISSUANCE OF EQUITY SHARES ON PREFERENTIAL ALLOTMENT BASIS**

Pursuant to provisions of Section 62 (1) (c) of Companies Act, 2013, any preferential allotment of securities needs to be approved by the shareholders by way of Special Resolution. The Listing Agreements executed by the Company with the Stock Exchanges also provide that the Company shall, in the first instance, offer all securities for subscription pro-rata to the shareholders unless the shareholders in a general meeting decide otherwise. The proposed issue of shares is in accordance with the provisions of SEBI (ICDR Regulations) and other applicable regulations, if any.

In terms of the provisions of the Companies Act, 2013 read with Rule 13 (2) of the Companies (Share Capital and Debentures) Rules, 2014 and the aforesaid SEBI (ICDR Regulations), the relevant disclosures are given below:

**The object of the issue through preferential offer:**

To Issue up to **38,00,000 (Thirty Eight Lakhs) Equity Shares on a Preferential basis to Prashant Khattar**, Founder and Managing Director of Cordite PTE Limited for the exchange of his 60 % fully diluted equity shares Cordite PTE Limited to Calsoft (**Share Swap Transaction**). The Share Swap Transaction requires approval of the general shareholders meeting and consent of the relevant competent authorities.

**Issue Size, number of Equity Shares to be issued :**

Issuance of **38,00,000 (Forty Lakhs)** equity shares of face value of Rs.10/- each fully paid up amounting to **Rs 38,00,00,000/- (Rupees Thirty Eight Crores Only)** to Prashant Khattar, Founder and Managing Director of Cordite PTE Limited

**The Proposal of the Promoters / Key Management Persons to subscribe to the offer:**

Prashant Khattar, Founder and Managing Director of Cordite PTE Limited who will be subscribing to 38,00,000 equity shares of Calsoft, he may be classified into Promoter Group.

**Relevant Date:**

The relevant date for the preferential issue, as per the SEBI (ICDR Regulations), as amended from time to time, for the determination of price for the issue of the above mentioned Equity Shares shall be 23<sup>rd</sup> November, 2017 being the date 30 days prior to the date of Extraordinary General Meeting (i.e. 23<sup>rd</sup> December, 2017)

**Pricing of Preferential Issue**

The Equity Shares will be allotted in accordance with the price determined in terms of Regulation 76 of the SEBI (ICDR Regulations). Since the Company is listed on both BSE Limited ("BSE") and National Stock Exchange Limited ("NSE"), the trading price of securities of the Company on both the stock exchanges is taken into consideration for determining the pricing of securities allotted on preferential basis.

Accordingly, the price per Equity Share to be issued is fixed at Rs. 100 which is higher of

- a) the average of the weekly high and low of the volume weighted price at the NSE and the BSE for 26 weeks prior to the Relevant Date and
- b) the average of the weekly high and low of the volume weighted average prices at the NSE and the BSE for 2 weeks prior to the Relevant Date.

**Terms of Issue of Equity Shares:**

Upon exchange of 60% fully diluted equity shares of Cordite PTE Limited belongs to Prashant Kattar, the Board shall allot :

- 38,00,000 equity shares of face value of Rs. 10/- each fully paid up amounting to Rs. 38,00,00,000/- to Prashant Khattar;

The entire preferential allotment shareholding shall be locked in from the relevant date up to a period of six months from the date of Trading Approval to be received from the Stock Exchanges.

The Equity Shares to be issued and allotted shall be listed and traded on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) and shall be subject to the provisions of the Memorandum and Articles of Association of the Company.

**Proposed time limit within which the allotment shall be complete:**

As required under the SEBI (ICDR Regulations), the allotment of Equity Shares pursuant to the special resolution shall be completed within a period of fifteen days from the date of passing of the special resolution approving allotment.

Provided that where the allotment is pending on account of any such approval of allotment by any regulatory authority including stock exchanges or the Central Government, the allotment shall be completed within a period of 15 days from the date of such approval.

**Undertaking(s):**

This is to undertake that the price is recomputed in terms of the provision of the SEBI (ICDR Regulations). If the amount payable upon the re-computation is not paid within the stipulated time as mentioned in the SEBI (ICDR Regulations), the specified securities shall continue to be locked in till such amount is paid by the allottees.

**Lock in:**

The Equity Shares shall be locked in for such period as may be specified under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

**Change in the Control or Composition of the Board**

There will be change in the composition of the Board and also change in the Control of the Company on account of the proposed preferential allotment. Calsoft Board offered to appoint Prashanth Kattar as one of the Director of the company. There will be corresponding changes in the shareholding pattern as well as voting rights consequent to preferential allotment.

**Auditors' Certificate:**

It is proposed to obtain a certificate from M/s. N. Balasubramanian Associates, Chartered Accountant, Statutory Auditors of the Company, certifying that the issue of Equity Shares is being made in accordance with the SEBI (ICDR Regulations).

None of the directors and/or key managerial personnel of the company and /or their relatives is deemed to be, in any way concerned or interested, financially or otherwise in the said resolution except to the extent of their shareholding if any, in the company.

**ITEM No. 5 AND 6:**

**CONVERSION OF UNSECURED LOANS INTO OPTIONALLY CONVERTIBLE REDEEMABLE PREFERENCE SHARES (OCRPS) AND ISSUANCE OF OPTIONALLY CONVERTIBLE REDEEMABLE PREFERENCE SHARES (OCRPS)**

The **Unsecured Loan of Calsoft is Rs. 35,10,79,977/-** as on 31st March 2017 audited Financials (**Rounded off into Rs.35,10,80,000/-**) of the company from Chemoil Group of Companies (Chemoil). Presently, Calsoft has no cash reserves and also negative networth, because of this, calsoft did not raise further loan from any banks or institutions to repay the loan amount.



Based on communication received from the Chemoil for the repayment of the Loan amount, Calsoft proposed to issue Optionally Convertible Redeemable Preference Shares (OCRPS) to the Lenders. The term and conditions of issuing Optionally Convertible Redeemable Preference Shares (OCRPS) was discussed during Calsoft board meeting held on November 14, 2017. The loan convertible into OCRPS are mentioned in the table below:

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

The brief terms and conditions of OCRPS of the Company to be issued to Lenders pursuant to restructuring terms and conditions between Chemoil and Calsoft are as follows:

- a. Out of the loan amount of **Rs. 35,10,80,000/-** after adjustment of the amount to the extent of allotment of **Upto 35,10,800** (Thirty Five Lakhs Ten Thousand and Eight Hundred Only) preference shares to Chemoil as mentioned above, the company shall issue OCRPS of **face value of Rs.10/- each at a price of Rs. 100/- each (which includes premium of Rs. 90)** to Chemoil.
- b. All OCRPS shall carry a right of conversion into equity shares of the company, either full or in part, at the option of issuer on conversion date. Upon exercising the right of conversion of entire OCRPS by the Chemoil, the Lenders shareholding pursuant to such conversion shall be 18.80 % approximately including any corporate actions taken by the company of fully diluted equity capital of the company. On Conversion, the entire amount of OCRPS shall be adjusted against the allotment of upto 35,10,800 equity shares of the company to Chemoil.
- c. The 'Conversion Date' shall mean the date on which the Chemoil exercises its right to convert the OCRPS into equity shares of the company, which can be any time within 18 months from the date of allotment of OCRPS.
- d. In the event the Chemoil does not exercise its right to convert OCRPS into equity shares of the company within 30 months post allotment of OCRPS, the OCRPS shall be redeemed in 5 equal instalments (along with premium) starting from end of 6 months upto to 20 year from the date of allotment of OCRPS.
- e. The holding of Chemoil, on allotment of equity shares and allotment of equity shares on conversion of OCRPS shall not exceed more than 20 % of the fully diluted equity capital of Calsoft and In case at any point of time if the conversion would make the holding of Lenders more than 20% of the post allotment paid up capital of Calsoft, then the board of directors shall issue such lesser number of equity shares against the entire amount of various OCRPS in such manner so that the post holding of Lenders in the Calsoft Limited shall not exceed 20% of the post conversion paid up equity capital of Calsoft.
- f. **No Change in Control:** The existing promoters of the company will continue to be in control of the company and there will not be any changes in the management/control of the company as a result of the proposed preferential allotment.

- g. **Lock-In Period:** The equity shares, OCRPS, equity shares on conversion of the OCRPS to be allotted on preferential basis shall be locked in, for such period as prescribed in Chapter VII of SEBI (ICDR) Regulations. The entire preferential holding of the allottees, if any shall be locked in from the Relevant Date upto a period of six months from the date of trading approval granted by the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed and having Nationwide Trading Terminals.
- h. **Proposed time within which the allotment will be completed:** The proposed allotment of equity shares, OCRPS will be completed, in accordance with Regulation 74 of SEBI (ICDR) Regulations, within 15 (fifteen) days period from the later of: (i) date of passing of the shareholders' special resolution ; or (ii) receipt of the permission or approval from any regulatory authority or the Central Government, if any, including receipt of the 'in principle approval' from all the stock exchanges (pursuant to Regulation 28 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) where the shares of the Company are listed. The allotment of equity shares, OCRPS, equity shares on conversion of the OCRPS, warrants, and equity shares on conversion of the warrants will be completed in dematerialized form.

**Pricing:**

- a. The issue price of the equity shares to be allotted on preferential basis shall be at a price being not lower than the minimum price calculated in accordance with the Regulations for Preferential Issue contained in Chapter VII of SEBI (ICDR) Regulations as amended.
- b. The issue price of OCRPS to be allotted on preferential basis shall be at a price of **Rs. 100/- each (which includes premium of Rs. 90)**. The issue price of the equity shares on conversion of the OCRPS to be allotted on preferential basis shall be at a price being not lower than the minimum price calculated in accordance with the Regulations for Preferential Issue contained in Chapter VII of SEBI (ICDR) Regulations as amended.

**Number of Persons to whom allotment on preferential basis have been made during the year, in terms of number of securities as well as price:**

During the year, the company has not issued any shares on preferential basis or Private Placement basis other than mentioned above.

**Auditor's Certificate:**

The certificate from the Statutory Auditors of the Company, certifying that the issue of securities on the above terms is in accordance with the SEBI (ICDR) Regulations shall be laid before the shareholders at the Extra- Ordinary General Meeting.

**Relevant Date:**

The "Relevant Date" for the purpose of determining the pricing of any equity shares, equity shares on conversion of the OCRPS, warrants to be issued shall be 30 days prior to the date of this meeting of the Shareholders of the Company or in the case where the Relevant Date falls on Weekend/Holiday, the day preceding the Weekend/Holiday will be reckoned to be the Relevant Date.

The boards of directors of the Company recommend passing of the resolution as set out at Item No. 5& 6 as special resolution.

Accordingly, the special resolutions proposed Item No. 5 & 6 will, if passed, enable the Company to issue and allot equity shares, OCRPS, equity shares on conversion of the OCRPS in the manner and to the extent as stated in the resolution.

**ITEM No. 7:****INVESTMENT(S), LOANS, GUARANTEES AND SECURITY IN EXCESS OF LIMITS SPECIFIED UNDER SECTION 186 OF COMPANIES ACT, 2013**

In order to make investment(s) in excess of limits specified under section 186 of Companies Act, 2013, the Company requires approval from the shareholders in a general meeting. The Board recommends the Special Resolution set out at Item No.7 of the Notice for approval by the Members.

None of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.7 of the Notice.

**ITEM No. 8:****SALE, TRANSFER OR DISPOSAL OF THE SHARES HELD BY THE COMPANY IN ITS SUBSIDIARY**

**Aspire Communications Private Limited** ("ACPL") is the wholly owned subsidiary of the Company. ACPL does not generate any income from its business since 2012. ACPL does not seem to carry out any business activity in near future. In view of the above, it was decided by the Board of Directors of the Company to sell, transfer or otherwise dispose of the entire holding of the Company in its subsidiary ("ACPL").

The Board of Directors recommends the Special Resolution set out in the Notice for approval of members, as they feel the same to be in the interest of the Company.

Except in their capacity as shareholder of the Company, none of the directors, key managerial personnel or their relatives, have any concern or interest, financial or otherwise, in passing of the said resolution.

**ITEM No. 9:****APPROVAL OF INCREASE OF EQUITY INVESTMENT PERCENTAGE TO FOREIGN INSTITUTIONAL INVESTORS (FIIS) / FOREIGN PORTFOLIO INVESTORS (FPIs)**

In terms of Foreign Exchange Management Act, 1999 and the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, the total holding of all foreign institutional investors ("FIIs") as well as its SEBI approved sub-accounts and Foreign Portfolio Investors registered with Securities Exchange Board of India ("SEBI"), NRIs/ Foreign Nationals (FN) shall not exceed 75 % of the paid up equity share capital of the Company. However, this ceiling of 75 % can be further increased up to the sectoral cap/statutory ceiling as applicable, by passing a resolution of the Board, a Special Resolution to that effect by its members and followed by necessary filings with the Reserve Bank of India ("RBI") and Foreign Investment Promotion Board (FIPB).

As on 14/11/2017 holding of FI/FPI or NRI/FN in the Company is approximately 60 % of paid up capital. To create more headroom for FIIs to invest in the equity of the Company, it is proposed subject to receipt of the necessary approvals including approval from FIPB to increase the present limit of paid up equity share capital of the Company. The Board had decided to increase the aggregate permissible limit of FIIs/FPIs or NRI/FN in equity shareholding of the Company subject to the necessary approvals including the approval of the FIPB.

Accordingly, the Resolution of this Notice is proposed to enable the FII/FPIs, NRI/FNs to acquire equity shares of the Company up to the revised ceiling limit of the paid-up Equity Share Capital of the Company.

The Board recommends the passing of the Resolution as a Special Resolution. None of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution.

**ITEM No. 10:**

**APPROVAL OF FURTHER ISSUE OF SHARES OR CONVERTIBLE SECURITIES TO FOREIGN INSTITUTIONAL INVESTORS (FIIS)/ QUALIFIED INSTITUTIONAL BUYERS (QIBs)**

This special resolution is to enable the Board to create, issue, offer and allot Equity Shares, GDRs, ADRs, Foreign Currency Convertible Bonds (FCCBs), and/or other financial instruments convertible into Equity Shares (including warrants, or otherwise), fully convertible debentures, partly convertible debentures, nonconvertible debentures with warrants and/or convertible preference shares or any security convertible into Equity Shares and such other securities as stated in the resolution (the "Securities"), including by way of a Qualified Institutions Placement (QIP) in accordance with Chapter VIII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR Regulations") in one or more tranches, at such price as may be deemed appropriate by the Board at its absolute discretion including the discretion to determine the categories of Investors to whom the issue, offer, and allotment shall be made considering the prevalent market conditions and other relevant factors and wherever necessary, in consultation with lead manager(s) and other agencies that may be appointed. This special resolution enables the Board to issue Securities for an aggregate amount not exceeding Rs. 250 Crores (Rupees Two hundred and fifty crores only) or its equivalent of any other foreign currencies. The Board shall issue Securities pursuant to this special resolution and utilize the proceeds to meet capital expenditure and long term working capital requirements of the Company and exploring acquisition opportunities and general corporate purposes. The special resolution also seeks to empower the Board to issue eligible Securities by way of QIP to QIBs in accordance with Chapter VIII of the SEBI ICDR Regulations. The pricing of the eligible Securities that may be issued to QIBs pursuant to SEBI ICDR Regulations shall be freely determined subject to such price not being less than the floor price calculated in accordance with Chapter VIII of the SEBI ICDR Regulations ("QIP Floor Price"). Further, the Board may also offer a discount of not more than 5% or such other percentage as permitted on the QIP Floor Price calculated in accordance with the pricing formula provided under SEBI ICDR Regulations. The "Relevant Date" for this purpose will be the date when the Board (including a committee thereof) decides to open the QIP for subscription. As the Issue may result in the issue of Equity Shares of the Company to investors who may or may not be members of the Company, consent of the members is being sought pursuant to Section 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and any other law for the time being in force and being applicable and in terms of the provisions of the Listing Agreement executed by the Company with the Stock Exchanges where the Equity Shares of the Company are listed. The Board recommends the Special Resolution set out at Item No. 2 of the Notice for approval by the shareholders. None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution

**ITEM No.11:****APPROVAL OF ESOP SCHEME UNDER SEBI (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014**

In order to reward and motivate employees as also to attract the talent as well as to retain the key managerial employees, the Board of Directors at its meeting held on 14<sup>th</sup> November, 2017 have approved and proposed for the approval of the shareholders for issue of Stock Options as per which employees, who comply with certain eligibility criteria would be given / granted stock options to subscribe a specified number of equity shares of the Company offered to them at a price to be determined. The ESOP Plan would be subject to and in conformity with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 issued by the Securities and Exchange Board of India (SEBI). The object of the Plan is to attract, encourage and retain the talent in the management cadre and to enable such employees to participate in the long term growth of the Company and seek convergence of interest of shareholders and eligible employees such that eligible employees consciously work towards value creation for the shareholders. However, future remuneration revisions will bear in mind and take due note of the fact that the employees in the management cadre have coverage of this plan. The plan would therefore, reduce dependence on cash compensation as a tool for retaining and rewarding talent. The Salient features of the ESOP Plan are as under:

**(A) Total number of options to be granted**

- (i) The total number of options to be granted under this scheme is 5,00,000.
- (ii) The Board may with the approval of the shareholders increase the maximum number of options under the ESOP Scheme at any time.
- (iii) One option entitles the holder of the options to apply for one equity share of the company.

**(B) Eligibility Criteria for the employees to participate in ESOP** The following are eligible to participate in the ESOP Scheme of the Company: (i) a permanent employee of the company; or (ii) a director of the company, whether a whole time director or not but excluding an independent director;

The following are not eligible to participate in the scheme: (i) an employee who is a promoter or a person belonging to the promoter group; or (ii) a director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the company;

**(C) Requirements of vesting** (i) There shall be a minimum period of one year between the grant of options and vesting of options. (ii) The vesting shall happen in one or more tranches as may be decided by the ESOP Compensation Committee.

**(D) Exercise price or price formula,** the exercise price for the conversion of 1 option into 1 equity share shall be Rs.10/- or as decided by the Compensation Committee.

**(E) Exercise Period and the Process of Exercise** (i) Exercise period will commence from the vesting date and extend upto the expiry period of the option as decided by the ESOP Compensation Committee. (ii) The ESOP Compensation Committee will decide on the Expiry period of options for Employees leaving the Company after grant of options in their favour. (iii) The Options will be exercisable by the employees by a written application to the designated officer of the company to exercise the Options, in such manner and on execution of such documents as may be prescribed by the ESOP Compensation

Committee under the Scheme. (iv) The Options will lapse if not exercised within the specified exercise period.

(F) Appraisal Process for determining the eligibility of employees to the ESOP Scheme (i) The company has a formal performance appraisal system established wherein the performance of the employees is assessed each year on the basis of various functional and managerial parameters. The appraisal process is revised at regular intervals. (ii) Employees and Directors would be granted Stock Options based on performance-linked parameters such as work performance, technical knowledge, period of service, designation and such other parameters as may be decided by the ESOP Compensation Committee from time to time. (iii) The ESOP Compensation Committee may at its discretion extend the benefits of the ESOP Scheme to a new entrant or any existing employee on such other basis as it may deem fit.

(G) Maximum number of options to be issued per employee and in aggregate

(i) The maximum number of options to be granted to each employee will depend upon the rank/ designation of the employee as on the date of grant of options. However no employee shall be entitled to more than such number of options as may be determined in any financial year.

(ii) The aggregate number of options to be granted under this scheme shall not exceed **Rs. 50,00,000/- (Fifty Lakhs Only).**

(iii) The ESOP Committee shall decide on the number of options to be granted to each employee within this limit. (H) Accounting Methods The Company shall confirm to the accounting policies specified in the Regulations and/or such other guidelines as may be applicable from time to time.

(iv) Method of Valuation of these options The Company shall use the fair value method for valuation of the options. Clause 6 of the SEBI (Share Based Employee Benefits) Regulations, 2014 requires that any ESOP Scheme for offering stock options to the employees of the Company must be approved by the shareholders by way of a Special Resolution in the General Meeting and furthermore, as the Scheme will entail further shares to be offered to persons other than the existing shareholders of the company, consent of the members is required by way of a Special Resolution pursuant to the provisions of subsection (b) of Section 62 of the Companies Act, 2013 for the Item No. 4 and all other applicable provisions of the law for the time being in force. The Board of Directors recommends the Special Resolution as set out in item no.4 for the approval of the members. None of the Directors of the Company is in any way concerned or interested in the resolution except to the extent of the financial interest for the shares that may be offered to him/her under the Scheme.

By order of the Board

**For California Software Company Limited**

Place: Chennai

Date: 14<sup>th</sup> November 2017

**Dr. M. Vasudevan**

Director