



Realize Your Ideas

## California Software Co. Ltd.

1205, 'D' Block, Tidel Park, Taramani, Chennai 600 113.  
Tel : + 91 - 44 - 2254 1464 / 1853 • Fax : + 91 - 44 - 2254 2902  
investor@calsoft.co.in • www.calsoft.co.in

November 9, 2007

Dear Shareholder,

I have great pleasure in presenting to you the un-audited financial results of your company for the half-year ended September 30, 2007. During the current half-year, there was healthy topline growth and quantum acceleration in profits. The consolidated revenues were at Rs.113.89 crores while the consolidated net profit reached Rs.7.01 crores. Compared to the same period of the previous year, the consolidated revenues grew by 38%, while the consolidated net profits increased by 429%. The details of the results, consolidated and standalone are provided overleaf in the annexure.

Some of the other significant developments till date during the current financial year are:

- Your company completed the acquisition of majority interest in Aspire Communications Pvt Ltd, Mysore, India and its US arm – AspireSoft Corporation, California. Aspire focuses on providing embedded hardware design services, outsourced product manufacturing, and specialized services to technology companies. The financial results of Aspire have been consolidated with the results of your company from the second quarter of the current financial year.
- With the approval of the shareholders, your company increased its authorized capital to Rs.15 crores, and further
  - Raised additional equity to the extent of Rs.23.94 crores (inclusive of share premium) through issue of 23.94 lakh equity shares at price of Rs.100/ on preferential basis in August 2007.
  - Allotted 9.25 lakh equity shares on conversion of fully convertible debentures in August 2007.
- The preferential allotment of equity shares and conversion of fully convertible debentures into equity shares by Kemoil Ltd (a promoter group entity and subsidiary of Chemoil Energy Ltd) has triggered the relevant provisions of SEBI (SAST) Regulations, 1997. Accordingly Kemoil Ltd has made a public announcement for open offer to the shareholders of the company and has filed a draft letter of offer with SEBI in September 2007 for acquiring up to 20% of equity shares of the Company from existing shareholders at a price of Rs.100/-per share. The open offer, subject to receipt of regulatory approvals, is expected to commence this month and be completed in December 2007.
- The Board of Directors of your company while thanking Mr. Fuminobhu Oda for his valuable services and guidance accepted his retirement request from the Board with effect from August 22, 2007.

Your company is at the threshold of rapid growth. The support extended by Chemoil is certain to accelerate the pace of growth. We are excited at the opportunity it offers to our customers, employees and investors and partners.

We do hope to have the benefit of your continued patronage and support. Please visit our company website for an update and further news on Calsoft's activities.

Yours Sincerely,

A handwritten signature in black ink, appearing to be "S. Santhosh".

S. (Sam) Santhosh  
Managing Director

**Unaudited Financial Results for the Half-year ended September 30, 2007 (Extract)**

(All figures - Rs in lakhs except per share data - in Rs and Shareholding - nos)

Sl. No	Particulars	CONSOLIDATED			STANDALONE		
		For The Half-Year Ended 30 Sept 2007 Unaudited	For The Half-Year Ended 30 Sept 2006 Unaudited	For The Year Ended 31 Mar 2007 Audited	For The Half-Year Ended 30 Sept 2007 Unaudited	For The Half-Year Ended 30 Sept 2006 Unaudited	For The Year Ended 31 Mar 2007 Audited
1	Sales/Services rendered	11,299.17	8,206.85	16,469.10	2,603.96	2,478.57	4,691.69
2	Other Income	89.79	33.11	159.13	19.61	29.08	55.22
	<b>Total Income</b>	<b>11,388.96</b>	<b>8,239.96</b>	<b>16,628.23</b>	<b>2,623.57</b>	<b>2,507.65</b>	<b>4,746.91</b>
3	Expenditure						
	a) (Increase) / Decrease in Work In Progress	11.97	NA	(266.26)	11.97	NA	(236.69)
	b) Purchases	1,435.81	887.69	6,056.74	56.25	78.96	97.64
	c) Employee Cost	4,787.36	3,184.20	4,141.96	1,631.31	1,079.72	3,073.79
	d) Other Expenditure	3,974.70	3,912.88	4,955.59	719.31	846.57	1,012.62
	e) Amortisation of Deferred Expenses	26.56	140.99	27.89	4.99	2.72	7.71
	f) Depreciation	148.15	138.88	255.36	70.14	62.12	125.31
	<b>Sub-Total Expenditure</b>	<b>10,384.55</b>	<b>8,264.64</b>	<b>15,171.28</b>	<b>2,493.97</b>	<b>2,070.09</b>	<b>4,080.38</b>
4	Interest & Finance Charges	82.96	130.65	153.06	34.64	29.69	64.93
5	Exceptional items	0	0	236.76	0	0	0
6	Profit/(Loss) before Taxation, Extraordinary items & Minority Interest Adjustments	921.45	(155.33)	1,067.13	94.96	407.87	601.60
7	Minority Interest adjustments for share of subsidiary Profits/(Losses)	188.23	(303.25)	169.01	NA	NA	NA
8	Profit before tax from ordinary activities	733.22	147.92	898.12	94.96	407.87	601.60
9	Provision for Taxation						
	a) Current Tax (Including Fringe Benefits Tax)	39.84	15.31	113.36	12.22	13.40	18.72
	b) Deferred Tax	(8.02)	0	(12.00)	(8.02)	0	(12.21)
10	Net Profit from Ordinary activities after tax	701.40	132.61	796.76	90.76	394.47	595.09
11	Extraordinary items and prior period adjustments	0	0	0	0	0	0
12	Net Profit for the period	701.40	132.61	796.76	90.76	394.47	595.09
13	Paid-up Equity Share Capital (Face Value of the Share : Rs. 10)	1,236.50	836.59	904.64	1,236.50	836.59	904.64
14	Reserves excluding revaluation reserves at year end	NR	NR	5,547.65	NR	NR	5,968.22
15	Earning Per Share for the period before extraordinary items (Rs.)						
	i) Basic	7.12	1.91	10.29	0.85	5.69	7.69
	ii) Diluted	NA	NA	9.74	NA	NA	7.27
16	Earning Per Share for the period after extraordinary items (Rs.)						
	i) Basic	7.12	1.91	10.29	0.85	5.69	7.69
	ii) Diluted	NA	NA	9.74	NA	NA	7.27
17	Aggregate of Public Shareholding :(as at period end)						
	i) Number of Shares	5,900,247	5,151,091	5,706,647	5,900,247	5,151,091	5,706,647
	ii) Percentage of Shareholding	47.72	61.57	63.08	47.72	61.57	63.08

**Segment wise Results and Capital Employed:**

Sl. No	Particulars	For The Half-Year Ended 30 Sept 2007 Unaudited	For The Half-Year Ended 30 Sept 2006 Unaudited	For The Year Ended 31 Mar 2007 Audited	For The Half-Year Ended 30 Sept 2007 Unaudited	For The Half-Year Ended 30 Sept 2006 Unaudited	For The Year Ended 31 Mar 2007 Audited
1	<b>Segment Revenue :</b>						
	a) Commodity Solutions	472.65	607.55	1,089.05	403.63	465.92	855.30
	b) Enterprise Solutions	7,713.94	5,045.79	10,439.84	1,216.33	1,197.44	2,252.04
	c) Technology Solutions	3,112.58	2,553.51	4,940.21	984.00	815.21	1,584.35
	Sub-Total	11,299.17	8,206.85	16,469.10	2,603.96	2,478.57	4,691.69
	Less : Inter segment revenue	0	0	0	0	0	0
	Net sales/income from operations	11,299.17	8,206.85	16,469.10	2,603.96	2,478.57	4,691.69
2	<b>Segment Results :</b>						
	Profit /(Loss) before tax and interest from each segment						
	a) Commodity Solutions	171.14	221.78	468.36	180.50	125.01	315.97
	b) Enterprise Solutions	878.41	(397.63)	496.97	222.57	192.10	159.78
	c) Technology Solutions	(134.93)	118.06	332.48	(293.08)	91.37	135.56
	Sub-total	914.62	(57.79)	1,297.81	109.99	408.48	611.31
	Less : (i) Interest & Finance Charges	82.96	130.65	153.06	34.64	29.69	64.93
	Add (ii) Other unallocated Income, net of un-allocable expenditure	89.79	33.11	(77.62)	19.61	29.08	55.22
	<b>Total Profit/(Loss) Before Tax &amp; minority Interest Adjustments</b>	<b>921.45</b>	<b>(155.33)</b>	<b>1,067.13</b>	<b>94.96</b>	<b>407.87</b>	<b>601.60</b>
3	<b>Capital Employed :</b>						
	a) Commodity Solutions	NR	NR	NR	676.69	373.96	734.17
	b) Enterprise Solutions	NR	NR	NR	1691.72	1488.77	1382.53
	c) Technology Solutions	NR	NR	NR	2006.73	846.69	1830.66
	Unallocated	NR	NR	NR	6343.61	3382.34	3921.20
	<b>Total Capital Employed</b>	<b>NR</b>	<b>NR</b>	<b>NR</b>	<b>10718.75</b>	<b>6091.76</b>	<b>7868.56</b>

NA=Not Applicable NR=Not Reported Amounts in brackets indicate negative figures

**Note:** Please refer company's website and / or websites of NSE / BSE where results have been notified on 27 October, 2007 for detailed notes on accounts

For and on Behalf of the Board

Chennai  
October 27, 2007

S. Santhosh  
Managing Director