

# Letter to the Shareholder

From the CEO's Desk

Dear Shareholder,

## Greetings!

It gives me immense pleasure to present the achievements of Calsoft for the financial year 2009-10.

I am very happy to report that our revenues came in at Rs. 200.50 crores, and our operating profit was Rs. 11.29 crores. Profit after tax increased by a phenomenal 257% year-on-year increase to touch Rs. 35.68 crores, versus last year's loss of Rs. 22.74 crores.

Acknowledging our significant profits the Board of Directors has recommended a dividend of 20% for the financial year ended 09-10. The total outflow on account of the dividend and allied distribution tax is Rs. 2.89 crores.

## Business Units:

**Calsoft Enterprise:** The group's business unit Calsoft Enterprise Solutions will henceforth be known as Inatech a Calsoft Company. Calsoft has appointed Chris Baker to the role of CEO, responsible for driving growth in Europe, America, the Middle East and India.

**Calsoft Labs:** The unit has consolidated its business after the downturn and has moved into a growth trajectory mode again. Its ODC for Healthland has grown to a 50 member team over the past year.

## Strategic Investment:

**ePay.LLC:** We have made a 51% investment in ePay Healthcare a California based company. The company operates in the healthcare space and offers patients a one-stop web service for healthcare payments.

**Informed Decisions Corporation:** We successfully sold our strategic investment subsidiary, Informed Decisions Corporation (IDC) in which we had a 51% stake through CSWL (a 100 % subsidiary) on 17th Nov 2009. The deal was a 100% buyout and the buyer, Higher One, is a US based privately owned financial services and Payment Company.

**American HealthNet:** During the year the assets of one of our Strategic Investment co, American Healthnet was sold to a competitor Healthland. The buyer Healthland is a key player in the healthcare industry in the USA. Calsoft has an offshore development center for Healthland in its Chennai office and continues to provide technology and development support to Healthland.

**Glencore International AG takes 51% stake in our parent Company Kemoil Corporation**

51% shareholding of our parent Company Chemoil Corporation has been acquired by Singfuel Investment Pte Ltd. (an indirect wholly owned subsidiary of Glencore International AG). In pursuant of this process , an open offer was made by Singfuel Pte Ltd. to the shareholders of California Software Limited; other than Chemoil Corporation at the price of Rs. 45.03 per fully paid up equity share.

**New Accounts**

In 2009-10 we added marquee customers like Radware, Healthland, Higher One and TDIC. Our existing bigger accounts like Kronos, IXIA, AP Moller Maersk and Phones4U continue to give us repeat business.

**Strategic Focus and Company Value**

Our strategic investment group has seen a good amount of traction in the last year in terms of return on existing investments. In the case of Calsoft the parts are more valuable than the sum and as we move to the next level we will try and generate more value through our independent business units Calsoft Labs, Inatech and strategic investments.

I thank our investors, customers, employees and all other key stakeholders for the continued support and patronage.



**S. (Sam) Santhosh**  
*Managing Director*