



CALIFORNIA SOFTWARE COMPANY LTD.

Registered Office: 1205 - D Tidel Park, 4 Canal Bank Road, Taramani, Chennai - 600 113 India
Phone:+ 91-44-4282 9000 Fax:+91-44-4282 9012

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Sixteenth Annual General Meeting of the Company will be held at 3.00 p.m. on Friday, August 29, 2008 at Tidel Park Auditorium, No.4, Canal Bank Road, Taramani, Chennai 600 113 to transact the following business:

ORDINARY BUSINESS:

1. To Receive, Consider and Adopt the Balance Sheet as at March 31, 2008 and the Profit and Loss Account for the year ended on that date and the report of the Directors and Auditors thereon.
2. To declare Dividend.
3. To appoint a Director in place of Prof. T.T. Narendran, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

5. To consider, and if thought fit, to pass, with or without modification, the following resolution as an **ORDINARY RESOLUTION:**

“RESOLVED THAT in accordance with Section 257 and all other applicable provisions if any of the Companies Act, 1956, or any statutory modification(s) or enactment thereof, Mr. Clyde Michael Bandy, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company, liable to retire by rotation as per the provisions of the Articles of Association of the company.”

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

“RESOLVED THAT pursuant to Section 81 (1 A) and all other applicable provisions, if any, of the Companies Act 1956, (including any statutory modifications or re-enactment thereof, for the time being in force), subject to the approval of members at the Annual General Meeting scheduled on 29th August, 2008, the Memorandum and Articles of Association of the Company, Listing Agreements entered into by the Company with the Stock Exchange where the shares of the Company are listed, Disclosure and Investor Protection Guidelines (DIP) issued by the Securities and Exchange Board of India (SEBI) and other applicable Regulations / Guidelines and subject to the approval of Reserve Bank of India, wherever applicable, such other approvals, permissions, sanctions, consents as may be necessary or expedient under the applicable laws, rules and regulations and subject to such terms, conditions, alterations and modifications as may be considered appropriate by the Board of Directors, (hereinafter referred to as the "Board" which shall include any Committee of Directors) consent of the Company be and is hereby accorded to the Board to offer, issue and allot 9,66,672 equity shares of Rs.10/- each for cash on preferential basis to 2 promoter shareholders (as per list enclosed) of M/s Inatech Infosolutions Pvt. Ltd, Bangalore at the price of Rs.125/- per share (including a premium of Rs.115/- per share) which is marginally in excess of the price calculated as per SEBI (Disclosure and Investor Protection) Guidelines on Preferential Issue and that the Board be and is hereby authorised to finalise all matters incidental thereto as it may in its absolute discretion think fit, in accordance with all applicable laws, rules and regulations for the time being in force on that behalf”.

“RESOLVED FURTHER THAT the "Relevant Date" under SEBI Guidelines on Preferential issue in relation to issue of shares on preferential basis for the purpose of determining the issue price shall be 30th July 2008 being the date, 30 days prior to the date of passing this Resolution.”

“RESOLVED FURTHER THAT the equity shares so issued and allotted shall be locked in for period of one year from date of such allotment of shares “

“RESOLVED FURTHER THAT the equity shares so issued and allotted directly shall rank pari passu with the existing equity shares of the Company in all respects including payment of dividend”.

“RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorised to agree, make and accept all such term(s), condition(s), modification(s) and alteration(s) as it may deem fit, including, condition(s), modifications(s) and alteration(s) stipulated or required by any relevant authorities or by their bye-laws, rules, regulations or guidelines, and the Board is also hereby authorised to resolve and settle all questions, difficulties or doubts that may arise in regard to such offer, issue and allotment, to finalise and execute all agreements, documents and writings and to do all acts, deeds and things in this connection and incidental as the Board in its absolute discretion deem fit without being required to seek any further consent or approval of the Company or otherwise to the end and intent that they shall be deemed to have given approval thereto expressly by the authority of this resolution.”

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

“RESOLVED THAT pursuant to Section 81 (1 A) and all other applicable provisions, if any, of the Companies Act 1956 (including any statutory modifications or re-enactment thereof, for the time being in force), subject to the approval of members at the Annual General Meeting scheduled on 29th August, 2008, the Memorandum and Articles of Association of the Company, Listing Agreements entered into by the Company with the Stock Exchange where the shares of the Company are listed, SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and other applicable Regulations / Guidelines and subject to the approval of Reserve Bank of India, wherever applicable, such other approvals, permissions, sanctions, consents as may be necessary or expedient under the applicable laws, rules and regulations and subject to such terms, conditions, alterations and modifications as may be considered appropriate by the Board of Directors, (hereinafter the "Board" which shall include any Committee of Directors) consent of the Company be and is hereby accorded to the Board to offer, issue and allot 6,18,250 equity shares of Rs.10/- each for cash to Employees of the Company including its subsidiaries both in India and overseas, whether new or hereafter existing under an Employee Stock Option Scheme to be created by the Company for the benefit of its employees on the terms and conditions as may be decided by the Compensation committee of the Board of Directors of the Company and that the Board be and is hereby authorised to finalise all matters incidental thereto as it may in its absolute discretion think fit, in accordance with all applicable laws, rules and regulations for the time being in force in that behalf”.

“RESOLVED FURTHER THAT the equity shares so issued and allotted directly shall rank pari passu with the existing equity shares of the Company in all respects including payment of dividend”.

“RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorised to agree, make and accept all such term(s), condition(s), modification(s) and alteration(s) as it may deem fit, including, condition(s), modifications(s) and alteration(s) stipulated or required by any relevant authorities or by their bye-laws, rules, regulations or guidelines, and the Board is also hereby authorised to resolve and settle all questions, difficulties or doubts that may arise in regard to such offer, issue and allotment, to finalise and execute all agreements, documents and writings and to do all acts, deeds and things in this connection and incidental as the Board in its absolute discretion deem fit without being required to seek any further consent or approval of the Company or otherwise to the end and intent that they shall be deemed to have given approval thereto expressly by the authority of this resolution.

On behalf of the Board of Directors

Chennai,
July 23, 2008

S. Santhosh
Managing Director

EXPLANATORY STATEMENT

(As required under Section 173 (2) of the Companies Act, 1956)

Item No. 5:

Mr. Clyde Michael Bandy was appointed as Additional Director of the Company at the Board meeting held on 8th February, 2008 under Section 260 of the Companies Act, 1956. In terms of the provisions of Section 260, he will hold office up to the date of this Annual General Meeting. The Company has received a notice from a member proposing Mr. Clyde Michael Bandy for appointment to the office of Director of the Company under Section 257 of the Companies Act, 1956. Hence the proposed resolution.

Mr. Clyde Michael Bandy has wide managerial and entrepreneurial experience in the Oil Industry and keeping this expertise in view, it will be in the interest of the Company that he is appointed as a Director, who if appointed, shall be liable to retire by rotation, in accordance with the provisions of the Article of Association of the company. Brief details of his resume with background, qualifications and other directorships as stipulated in Clause 49 of the Listing agreement are given in the section to this notice on Information on Directors seeking appointment/re-appointment. The Board commends the resolution as set out at item No 5 of the Notice for your approval.

None of the Directors, other than and except Mr. Clyde Michael Bandy is in any way, concerned or interested in the resolution.

Item # 6:

The Company intends to augment its funds requirements to meet its working capital needs and also for its future expansion plans. It is hence proposed to issue and allot upto 9,66,672 equity shares of Rs.10/- each, at a price of Rs.125/- each, on a preferential basis to 2 promoter directors of M/s Inatech Infosolutions Private Limited as mentioned below, at a premium of Rs.115/- per equity share, aggregating to Rs.12.08 Crore. The Company will comply with all relevant provisions of SEBI (DIP) Guidelines on Preferential issue including pricing of the issue while making the preferential allotment of the fresh equity shares.

I Objects of the Issue through Preferential Offer

The funds will be used for expansion of operations of the Company and to augment long-term working capital needs.

II Intention of the Promoters/Directors/Key management personnel to subscribe to the offer:

None of the Promoters/ Directors/ Key management Personnel would be subscribing to the Preferential Issue authorized by this resolution.

III Proposed time within which the allotment shall be completed:

As per SEBI Guidelines, the allotment of Equity shares shall be completed within 15 days from the date of passing the above resolutions. Provided that where the allotment is pending on account of any pending approval from any regulatory authority or from the Central Government, the allotment will be completed within 15 days from the date of such approval.

IV Identity of the proposed allottees and the percentage of post preferential issue capital that may be held by them:

| Name of the Allottee | Address | Category | Residential status | Pre issue No of Shares | Pre issue Holding% | No of equity shares to be issued | Post issue No of shares | Post Issue Holding % |
|------------------------|---|-----------------------|--------------------|------------------------|--------------------|----------------------------------|-------------------------|----------------------|
| Mr.Vedante Srihari | 146, Northumberland Road, North Harrow, Middlessex HA2 7RG, United Kingdom. | Non-promoter category | Non-resident | 2,66,554 | 2.16 | 6,28,337 | 8,94,891 | 6.72 |
| Mr.Ravindra Krishnappa | C2,702, "White House", 15th Cross, 6th Main, R.T.Nagar, Bangalore-560032 | Non-promoter category | Resident | 1,47,081 | 0.19 | 3,38,335 | 4,85,416 | 3.65 |

V Share holding pattern before and after the offer and consequential changes, if any, in voting rights:

| Category | Pre Issue | | | Post issue | | |
|--|------------------------|------------------|-------------------|------------------------|------------------|-------------------|
| | Number of shareholders | Number of shares | % of shareholding | Number of Shareholders | Number of shares | % of shareholding |
| I. Promoter and Promoter Group | | | | | | |
| A. Promoter | | | | | | |
| a. Individual | | | | | | |
| B. Persons Acting in Concert | | | | | | |
| a. Individuals | | | | | | |
| b. Bodies Corporate- Kemoil Ltd | 1 | 8166208 | 66.043 | 1 | 8166208 | 61.254 |
| -Other Bodies Corporate | | | | | | |
| I Total Of Promoter and Promoter Group | 1 | 8166208 | 66.043 | 1 | 8166208 | 61.254 |
| II Public Shareholding | | | | | | |

| Category | Pre Issue | | | Post issue | | |
|---|------------------------|------------------|-------------------|------------------------|------------------|-------------------|
| | Number of shareholders | Number of shares | % | Number of Shareholders | Number of shares | % |
| A. Institutional | | | | | | |
| i) Mutual Funds/ UTI/ Banks/ Insurance companies | 1 | 300 | 0.002 | 1 | 300 | 0.002 |
| ii) Foreign Institutional Investors | 1 | 3,230 | 0.026 | 1 | 3,230 | 0.024 |
| Sub Total II A | 2 | 3,530 | 0.028 | 2 | 3,530 | 0.026 |
| B. Non Institutional | | | | | | |
| i) Bodies Corporate | 101 | 288,701 | 2.335 | 101 | 288,701 | 2.165 |
| ii) Individuals | | | | | | |
| Proposed allottees through this issue | - | - | - | 2 | 966,672 | 7.251 |
| Individual Allottees holding nominal capital upto Rs.1 Lakh | 2,678 | 1,099,758 | 8.894 | 2,678 | 1,099,758 | 8.249 |
| Individual Allottees holding nominal capital in excess of Rs.1 Lakh | 40 | 279,368 | 22.59 | 40 | 2,703,608 | 20.945 |
| Any other (Clearing member-individuals and corporates) | 21 | 13,201 | 0.107 | 21 | 13,201 | 0.099 |
| Sub Total II B | 2,840 | 4,195,268 | 33.929 | 2,842 | 5,161,940 | 38.719 |
| II Total Public Share holding | 2,842 | 4,198,798 | 33.957 | 2,844 | 5,165,470 | 38.746 |
| Grand Total | | 2,843 | 12,365,006 | 100.00 | 2,845 | 13,331,678 |

The voting rights will change in tandem with the change in shareholding pattern.

VI Pricing

The pricing for the equity shares is done in accordance with the guidelines stipulated under SEBI (Disclosure and Investor Protection) Guidelines, 2000 as applicable from time to time in respect of the pricing of the issue. The issue of equity shares on preferential basis shall be at a price of Rs.125/- per share (Rs.10/- face value + Rs.115/- premium). The price is in compliance with the SEBI pricing norms.

The entire amount of the equity shares issued on preferential basis shall be paid in cash by the allottees on such terms and conditions and in such manner as the Board may deem fit.

VII Relevant date

Relevant Date for this purpose is 30th July 2008, which is the date 30 days prior to the date of this meeting of the shareholders of the Company.

VIII Auditors Certificate

A certificate as required under SEBI Guidelines certifying that the proposed issue is being made in accordance with the requirements contained in SEBI Guidelines will be obtained from the Auditors of the Company.

IX Lock In Period

The equity shares to be allotted on preferential basis shall be subjected to lock in period as per applicable SEBI guidelines in this behalf.

X Change in Management

The issue of equity shares will not result in any change in the Management or control of the Company

Section 81 of the Companies Act, 1956 provides, inter alia, that whenever it is proposed to issue further shares, such shares shall be offered to the existing shareholders of the company in the manner laid down in the said section, unless shareholders decide otherwise in the general meeting by way of a Special Resolution. Accordingly, the consent of the shareholders is being sought pursuant to the provisions of Section 81 (1A) and other applicable provisions of the Companies Act, 1956, chapter XIII on Preferential Issue in SEBI (Disclosure and Investor Protection) Guidelines and in terms of the provisions of the Listing Agreement to issue and allot Equity shares as stated in the Special Resolution.

The Board of Directors recommends the passing of this Special Resolution.

None of the Directors is concerned or interested in the Resolution

Item # 7:

The Company considers it prudent to adopt appropriate measures from time to time for attracting and retaining qualified, talented and competent personnel in its employment. Introduction of a Stock Option Plan is considered to be one of such measures designed to foster a sense of ownership and belonging amongst the employees.

The ability to attract and retain the best talent would play a crucial role in the success of a Company. In recent years, Stock Options are becoming a part of the remuneration package of an employee. With a view to attract good talent and ensure greater involvement of the existing employees, it is proposed to institute an Employee's Stock Option Plan called "California Software Employees Stock Option Plan." The resolution is only an enabling provision so as to facilitate the introduction of an Employees Stock Option Plan at an appropriate time.

Section 81(A) of the Companies Act, 1956 provides that whenever it is proposed to issue shares to persons other than the existing shareholders, the consent of the shareholders in general meeting should be taken. The consent of the shareholders is, therefore, sought to authorize the Board of directors to issue shares in the manner set out in the Resolution.

The Directors of the Company who will be eligible to join the Employees Stock Option Plan may be deemed to be concerned or interested in the Resolution to the extent of the shares/securities that may be issued to them and the benefit that may accrue to them under the scheme.

Information on Directors seeking appointment/re-appointment in Annual General Meeting scheduled to be held on August 29,2008 (Pursuant to Clause 49(IV) (E) and 49 (IV)(G)(i) of the Listing Agreement)

| | | |
|---|--|---|
| Name of the Director | Prof. T.T. Narendran | Mr. Clyde Michael Bandy |
| Date of first Appointment | 28th September, 2005 | 8th February, 2008 |
| Age/Date of Birth | 58, 6th October, 1949 | 59, 12th October, 1948 |
| Expertise in Specific functional areas | <p>Professor T T Narendran graduated in Mechanical Engineering from the College of Engineering , Guindy, in 1971. He then moved to the Indian Institute of Technology Madras where he obtained his Masters and Doctoral degrees in Industrial Engineering. He joined the faculty in 1976 and has served IIT, Madras for well over 30 years. He served as the Head of the Department of Humanities and Social Sciences from 2000 to 2003 and as Advisor, Training and Placement, IIT, Madras from 2003 to 2006.</p> <p>Professor Narendran's teaching interests are primarily in the areas of Operations Research and Operations Management. He has done extensive research in the areas of Cellular Manufacturing Systems and Flexible Manufacturing Systems and has published several papers in leading International journals.</p> <p>Currently, he is the Dean of IC & SR, IIT, Madras. During his tenure as the Head of the Department, he pioneered the introduction of the MBA programme at IIT, Madras and worked tirelessly for its success.</p> | <p>Mr.Bandy is an oil industry veteran with 37 years of experience. He worked for Texaco from 1970 to 1997. From 1997 to 2001, Mr Bandy was President and Director of Fuel and Marine Marketing LLC, a major supplier of marine fuels and lubricants. From 2001 to 2004, he served as President of Global Trading at Chevron where he successfully merged the global trading platforms of Texaco and Chevron.</p> <p>Mr Bandy was also Chairman of OceanConnect.com. He continues to hold advisory positions in, Lloyds (USA) and Houston Maritime Arbitrators Association.</p> |
| Educational Qualifications | Ph.D. (Industrial Engineering), IIT Madras, M.S by Research (Industrial Engineering), IIT Madras B.E. (Mechanical Engineering), University of Madras | B.S.Engineering degree from Texas A&M University, MBA degree from the University of New Mexico, and certificate from the University of Michigan. |
| List of Other Directorships held as on June 30, 2008 | <p><i>A. Indian Companies:</i> Nil</p> <p><i>B. Companies incorporated outside India</i> Nil</p> | <p><i>A. Indian Companies:</i> Nil</p> <p><i>B. Companies incorporated outside India</i> Chemoil Energy Limited, Singapore</p> |
| Chairman/Member of the Committee of the Board of Directors of the Company as on June 30, 2008 | Member - Audit Committee Member - Investor Grievance Committee Member - Compensation Committee | N.A |
| Chairman/Member of the Committee of Directors of other Companies as on June 30, 2008 | N.A. | N.A. |
| Number of shares held in the Company as on June 30, 2008 | Nil | Nil |

On behalf of the Board of Directors

Chennai,
July 23, 2008

S. Santhosh
Managing Director

Notes:

- **A SHAREHOLDER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A SHAREHOLDER.**
- Book Closure: The Register of Members and the Share Transfer Books of the Company will remain closed from 22, August 2008 to 29, August 2008 (both days inclusive) in connection with the Annual General Meeting.
- Dividend recommended by the Directors for the year ended March 31, 2008, if approved by the shareholders at the Annual General Meeting, will be payable to those shareholders whose names appear on the Register of Members as on 29, August 2008. In respect of dematerialized shares, the dividend will be payable on the basis of beneficial ownership as per details to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.
- **ECS** facility for direct credit of dividend payment to bank accounts is used mandatorily for all shareholders in specified locations holding shares in dematerialized form and these shareholders may kindly update their Bank Account, Branch & MICR code particulars with their Depository Participant (DP), if not done already. Please note that requests by demat shareholders sent directly to the company or registrars for change of any particulars cannot be acted upon. The shareholders holding shares in physical format and wishing to receive through ECS or have their Bank Account details printed on the warrants may please send a signed covering letter confirming request for ECS credit /or printing Bank Account details on dividend warrant, signed by all shareholders and send to the Registrars to reach them before 29, August 2008 with the following details: Shareholder Name(s)/Folio No/Bank Name & Address /Bank Account No /Type of Account /9 digit MICR code with a clear photocopy of a blank or cancelled cheque leaf as proof for the MICR code. This is applicable for those physical format shareholders who have not updated the same already till date or wish to update their earlier details sent in previous years. ECS facility for shareholders is provided only in specified locations and is subject to the formats received being complete for physical format shareholders and for demat shareholders updating their bank account details with their DP.
- Shareholders are given an option to hold their securities in a depository or in the physical form. However it maybe noted that for trading purposes on NSE & BSE, the Company's stock is in compulsory demat trading list.
- Shareholders of physical format shares opting to convert shares to depository form are requested to notify through their Depository Participant (DP) to the Company's REGISTRAR AND SHARE TRANSFER AGENTS through filing the demat request form available with their DP to the address given herein:

INTEGRATED ENTERPRISES (INDIA) LTD.

**Unit: California Software Co. Ltd.,
"Kences Towers", II Floor, 1, Ramakrishna Street,
North Usman Road, T. Nagar, Chennai 600 017. India.**

- Shareholders who hold their securities in physical form and need to complete any transfer of holdings or endorsements may forward their securities to the Company's Registrar and Share Transfer Agents at the above address alongwith duly filled and stamped share transfer forms.
- Shareholders holding shares in physical format are requested to notify the Company's Registrar and Share Transfer Agents any change in their address immediately (with folio reference) so as to enable the Company to send any future communication at their correct address. Those holding shares in demat form need to ensure that their correct address is reflected in their Depository Participant (DP) records and inform DP of any changes as and when relevant.
- Pursuant to section 205C of the Companies Act, 1956, all unclaimed dividends upto and inclusive of the financial year 1999 - 2000 (YE March 31, 2000) have been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Dividends for the financial year ended March 31, 2001 and thereafter, which remain unclaimed for a period of 7 years will be transferred by the Company to IEPF.
- Shareholders who have not encashed any of their dividend warrants from the year 2001-02 onwards are requested to submit their claims to the Company Secretary at the Registered Office of the Company giving due details such as shareholder folio, /DP account no., and details for which year dividend is not received, and bank account details to be printed on the warrant.
- Nomination facility is now available for the shareholders. Members holding shares in physical format. may obtain nomination forms from the Registrar & Share Transfer Agent and send the nomination form back duly filled up and signed. Members holding shares in demat form may kindly send their nominations to their Depository Participant (DP) only in the format specified by their DP which will be for all their holdings in a client account.

Attendance slip and proxy form are enclosed.