PUBLIC ANNOUNCEMENT TO THE SHAREHOLDERS OF CALIFORNIA SOFTWARE COMPANY LIMITED ("Calsoft" / "Target Company")

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This Public Announcement ("PA") is being issued by Religare Securities Limited, the Manager to the Offer ("RELIGARE") on behalf of Kemoil Limited (hereinafter "Acquirer" or "Kemoil") pursuant to and in compliance with Regulation 11 (1) and Regulation 12 of Chapter III of The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto (hereinafter "SEBI Takeover Code" or "Regulations" or "SEBI (SAST) Regulations").

I. Background to the Offer:

a) This open offer (hereinafter "this offer") being made by the Acquirer is subject to the receipt of certain approvals as more fully set forth in the section titled "Statutory Approvals required for this Offer". *(See Section VII of this Public Announcement).*

b) Kemoil, a company organized under the laws of Hong Kong and having its registered office at Level 28, Three Pacific place, 1, Queen Road East, Hong Kong, is a subsidiary of Chemoil Energy Limited,(CEL) located at Level 28, Three Pacific Place, 1, Queen Road East, Hong Kong. CEL is engaged in integrated physical supply of marine fuel products.

c) On July 28, 2007 Kemoil has acquired 1,25,000 Fully Paid up Equity Shares of Rs.10/- and 83,25,000 Fully Convertible Debentures (FCDs) of face value of Rs.10/- each at a price of Rs. 90/- per share fully paid up and Rs. 10/- per FCD vide a Securities Purchase Agreement with Andorra Services Limited (herein after referred to as "Andorra" / "Selling Shareholder" / "Seller")

d) On August 17, 2007:

i. 22,00,000 fully paid up Equity Shares of the Target Company have been allotted to Kemoil by way of a preferential allotment.

ii. Kemoil has applied to Calsoft for conversion of the FCDs into fully paid up equity shares of Rs. 10/- each. On acceptance of the request by the Board of directors of Calsoft, on August 17, 2007, 83,25,000 FCDs of Rs.10/- each were converted into 9,25,000 Fully Paid up Equity Shares of Rs.10/- each at a price of Rs.90/- per share (including a premium of Rs.80/- per share) .

(The Preferential allotment as mentioned in Clause I d (i) and conversion of the FCDs as per Clause I d (ii) is herein after individually referred to as "Preferential Allotment" and "Acquisition" respectively and collectively referred to as "Transactions")

e) The Board of Directors of Target Company in its meeting held on June 11, 2007 proposed to issue and allot 22,00,000 fully paid up equity shares of Rs.10/- each for cash at a price of Rs.100/- per equity share (including a premium of Rs.90/ - per share) aggregating to Rs. 22,00,00,000/- (Rupees Twenty Two Crores Only) to the Acquirer.

In the Extra Ordinary General Meeting held on July 14, 2007 the shareholders of the Target Company approved the above mentioned preferential issue and authorized the Board of Directors in this regard by passing a Special resolution under Section 81 (1A) of the Companies Act, 1956 and other applicable provisions.

Pursuant to the receipt of in principle approvals from Bombay Stock Exchange Ltd (BSE) dated August 7, 2007 and National Stock Exchange of India Limited (NSE) dated August 1, 2007 and subscription money received from the Acquirer the Board of Directors of the Target Company allotted 22,00,000 fully paid up equity shares to the acquirer on August 17, 2007 at a price of Rs.100/- per equity share (including a premium of Rs.90/ - per share) representing 17.79% of fully paid up equity capital of the Target Company. Shares issued under this preferential issue would be subject to a lock-in period as provided in the SEBI (Disclosure and Investor protection) Guidelines, 2000.("SEBI Guidelines")

f) In pursuance of the resolution passed by the shareholders of Calsoft on October 16, 2006, Board of Directors of Calsoft at their meeting held on October 30, 2006, had allotted 94,50,000 FCDs of Rs.10/- each to Andorra. These FCDs carried an option of conversion into 10,50,000 fully paid up equity shares of Rs.10/- each at a price of Rs.90/- each (including a premium of Rs.80/- per share) in three tranches over a maximum period of 18 months from the date of allotment as follows:

i. First Tranche: 11,25,000 FCDs of Rs.10/- each credited as fully paid up shall be converted into 1,25,000 equity shares on or before March 31, 2007

ii. Second Tranche: 40,50,000 FCDs of Rs.10/- each credited as fully paid up shall be converted into 4,50,000 equity shares on or before March 31, 2008.

iii. Third Tranche: 42,75,000 FCDs of Rs.10/- each credited as fully paid up shall be converted into 4,75,000 equity shares on or before April 30, 2008.

The Board of directors of Calsoft at their meeting held on March 30, 2007 converted the first tranche of the FCDs based on the request from Andorra. Subsequent to agreements as mentioned in Clause I (c), seller has transferred 1,25,000 Equity Shares and 83,25,000 FCDs to Kemoil. The resultant shares would be subject to lock in period as provided in SEBI Guidelines.

g) In light of the transactions as mentioned in Clause I (d), the Acquirer would be in a position to control and manage the affairs of Calsoft. The existing promoter Mr. S. Santhosh has entered into a Shareholders Agreement dated August 17, 2007 with Kemoil for setting out the respective roles with regard to the management and functioning of the Target Company. Mr. S. Santhosh (along with relatives), post the transaction as aforesaid, would collectively hold 5,65,796 equity shares representing 4.58% of the fully paid up equity share capital of the Target Company. The Shareholders' Agreement, *inter alia*, confers on Kemoil certain rights, including the right to induct directors in the Board of Directors of Calsoft. Kemoil will be entitled to exercise the aforesaid rights under the said Shareholders' Agreement upon the closure of the Offer and hence Kemoil will acquire control of Calsoft resulting in a change of control of Calsoft in pursuance of Regulation 12 of the SEBI (SAST) Regulations. Also, in terms of the said agreement Kemoil would become the promoter of the target and Mr. S. Santhosh's shareholding will be classified in the public category. However, Mr. S. Santhosh would continue as the Managing Director of Calsoft and shall operate and manage the affairs under the supervision of the board.

h) The offer to the shareholders of the Target Company consequent to the above referred transactions as per clause I (d) and change in the control as per clause I (g) is being made in accordance with Regulations 11(1), 12 and other applicable regulations of SEBI (SAST) Regulations. Any further acquisition of shares/ voting rights / control of the Target Company, whether direct or indirect, would be governed by the relevant provisions of SEBI (SAST) Regulations and amendments thereto.

i) On completion of the transactions mentioned in Clause I (d) above, the Acquirer would hold 58,98,963 fully paid up equity shares representing 47.71% of the fully paid up equity share capital of Calsoft.

II. The Offer:

a) The Acquirer is making an offer to the public shareholders of Calsoft to acquire 24,73,002 fully-paid up equity shares of the face value of Rs. 10/- each, representing in aggregate 20.00% of the fully paid up equity share capital of the Target Company at a price of Rs.100/- per equity share (hereinafter "the Offer Price"), payable in cash in terms of Regulations 20 and 21 of the Regulations (the "Offer" or "Open offer"). The Offer is in accordance with Regulations 11 (1) and 12 of the Regulations, consequent to the Acquisition of the shares and control by the Acquirer as mentioned in Clause I above and subject to the terms and conditions mentioned hereinafter, which will also be a part of the Letter of Offer to be circulated to the shareholders of the Target Company.

b) Chemoil Energy Limited (CEL) is the Person Acting in Concert (PAC) (though not participating in the offer) for the purpose of the open offer, along with the Acquirer.

c) On completion of the transaction as mentioned in clause I (d) the Acquirer would hold 47.71% of the fully paid up equity share capital of the company. Neither the Acquirer nor the PAC has acquired any equity shares of the Target Company in the twelve-month period prior to the date of this PA except under the preferential allotment and Acquisition of Shares and FCDs as mentioned in Clause I. The highest price paid by the Acquirer is Rs.100/- and the Average price paid is Rs.97/-.

d) None of the directors of Kemoil have acquired any shares in Calsoft at a price above the Offer Price, during the 26 week period prior to the date of this Public Announcement. However Andorra the selling shareholder, wherein Mr. Robert V. Chandran is a director and substantial shareholder, who is also the non-Executive Chairman of Calsoft, had acquired 1,25,000 Equity Shares on conversion of the FCDs as described in Clause I c above, the same being transferred by Andorra to Kemoil vide a Securities Purchase Agreement dated July 28, 2007.

e) Kemoil will acquire all the equity shares tendered and accepted under the Offer, subject to certain conditions and other terms and conditions set out in Sections VII, X and XI of this Public Announcement and in the Letter of Offer (LOO) to be sent to the shareholders of the Target Company.

f) The Offer is not conditional upon any minimum level of acceptance. During the Offer period, Kemoil may purchase additional equity shares of Calsoft in accordance with the SEBI (SAST) Regulations.

g) This is not a competitive bid.

h) The Manager to the Offer hold 540 equity shares in the Target Company as on the date of the Public Announcement in its capacity as SEBI Registered Stock Broker and the said shares are held as margin on behalf of its client(s).

III. The offer Price

a) The equity shares of Calsoft are listed on the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). Based on the information available, the equity shares of Calsoft are frequently traded on BSE and NSE (*Source: www.bseindia.com and www.nseindia.com*) within the meaning of Explanation (i) to Regulation 20(5) of the SEBI (SAST) Regulations.

b) The annualized trading turnover during the preceding 6 calendar months (i.e. February 2007 to July 2007) prior to the month in which the Public Announcement is made in each of stock exchange is detailed below:

Name of stock Exchange(s)	Total no. of equity shares traded during the 6 calendar months prior to the month in which PA is made	Total No. of listed equity Shares	Annualized Trading turnover (in terms of % to total listed shares)	Trading status in terms of SEBI (SAST) Regulations
BSE	760043	9046406	16.80	Frequently traded
NSE	953178	9046406	21.07	Frequently traded

(Source: www.bseindia.com and www.nseindia.com)

c) The Offer Price of Rs. 100/- is justified in terms of Regulation 20(4) of the SEBI Takeover Regulations as follows:

		Rs. /Equity Share
a)	Negotiated Price under the agreement for acquisition of share or voting rights or deciding to acquire equity shares or voting rights	N.A.
b)	Highest Price paid by the Acquirer or person acting in concert for acquisitions including by way of allotment in preferential issue during the 26 weeks prior to August 20, 2007 (i.e. the date of PA)	Rs 100.00/-
c)	Higher of (i) or (ii) below: Share price data of Calsoft on NSE, where it is most frequently traded, is as under:	
i)	The average of the weekly high and low of the closing equity share prices in the 26 weeks period prior to the Board meeting dated June 11, 2007 (date of the board meeting which authorised the preferential allotment)	Rs.65.28/-
ii)	The average of the daily high and low of the equity share prices in the two weeks prior to the Board meeting dated June 11, 2007 (date of the board meeting which authorised the preferential allotment)	Rs.67.88/-

IV. Information on the Acquirer and the PAC:

a) The Acquirer and the PAC have not been prohibited by SEBI from dealing in securities, in terms of direction issued u/s 11B of SEBI Act or under any of the Regulation made under the SEBI Act.

b) The Acquirer and the PAC are under the same management.

c) There has been no agreement between the Acquirers and the PAC as regard to the Open Offer other than as disclosed under Section IX.

d) Other than disclosed here, there is no other PAC as per the provisions of Regulation 2(1) (e) of the Regulations.

e) The Acquirer and PAC have undertaken to comply with the Regulations and complete the Offer formalities.

f) If the Acquirer or PAC acquires any equity shares of Calsoft after the date of Public Announcement up to 7 working days prior to the closure of the offer at a price higher than the offer price, then the highest price paid for such acquisition shall be payable for all the equity shares tendered in the offer and accepted under the offer.

A. Details of Kemoil Limited (Acquirer)

a) Kemoil, a company incorporated and registered under the Companies Ordinance, on April 12, 1983 in Hong Kong. The registration number of the Company is 123315. The registered office of Kemoil is at Level 28, Three Pacific Place, 1, Queen Road East, Hong Kong. Kemoil is an Investment Holding Company and is promoted by CEL.

b) The Authorised share capital of Kemoil is Hong Kong Dollars (HKD) 10,000 divided into 10 shares of HKD 1,000 each. Kemoil is a subsidiary of CEL. The present shareholding pattern of Kemoil is as follows:

Sr. No	Name of the Shareholder	No of shares	% of the total capital
1	Chemoil Energy Limited	9	90.00
2	Overseas Nominees Limited*	1	10.00
	Total	**10**	**100.00**

**The entire share capital of Kemoil is beneficially held by Chemoil Energy Limited (CEL)*

c) Mr Robert V Chandran and Mr. Lucius Charles Conard are the directors of Kemoil.

d) The Financial Highlights of the Acquirer are as under:

Particulars	Financial year / period ending							
	March 31, 2007		December 31, 2006		December 31, 2005		December 31, 2004	
	US $	Rs. In lacs	US $	Rs. In lacs	US $	Rs. In lacs	US $	Rs. In lacs
Total Income	-	-	57287	2527502	38455	1738166	446396	19404834
Profit After Tax	-	-	-	-	-	-	405576	17630388
Share Capital	1450	62988	1450	63974	1450	65540	1450	63031
Reserves and Surplus (excluding Revaluation Reserve)	(1450)	62988	(1450)	63974	(1450)	65540	(1450)	63031
Net Worth	-	-	-	-	-	-	-	-
Earning Per Share (US $/Rs)	-	-	-	-	-	-	-	-
Return on Net Worth (%)	-	-	-	-	-	-	-	-
Book Value Per Share (US$ /Rs)	-	-	-	-	-	-	-	-

(Source: Management certificate dated August 9, 2007. Certificate dated August 14, 2007 from R Balaji & Company, Chartered Accountants, Chennai (Membership No. 26922) for conversion into Indian Rupee)

e) The equity shares of Kemoil are not listed on any stock exchange whether in India or abroad.

B. Details of Chemoil Energy Limited (CEL) (PAC)

a) Chemoil Energy Limited (CEL), a company incorporated and registered under the Companies Ordinance, on October 9, 1987 in Hong Kong. The Company was originally incorporated as Estaminet Company Limited and renamed as Berkshire Oil Company Limited on January 15, 1988. The name was changed to the present name on April 19, 2006. The registration number of the Company is 200591. The registered office of CEL is at Level 28, Three Pacific Place, 1, Queen Road East, Hong Kong.

b) CEL is one of the leading suppliers of marine fuel products across the world.

c) The Authorised share capital of CEL is HKD 1,000,000 comprises of 80,000,000,000 ordinary shares of HKD 0.0000125 each and issued share capital of the Company is HKD 16157.65 comprising of 1,292,612,000 ordinary shares of HKD 0.0000125.The present shareholding pattern of CEL is as follows:

Sr. No	Category of Shareholders	No of shares	% of the total capital
1	Robert V Chandran	549,360,000	42.50
2	Itochu Corporation	284,729,000	22.03
3	Itochu Petroleum Company (S) Pte. Ltd	200,000,000	15.47
4	Andorra Services Limited	44,898,000	3.47
5	Public	213,625,000	16.53
	Total	1,292,612,000	100.00

(Source: Management Certificate dated August, 18 2007)

d) The Board of Directors of CEL Consists of Robert V Chandran - Executive Chairman & CEO, Vivian Pearl Johnston Chandran - Non Executive Director, Sharon Stacey Johnston Chandran - Executive Director, Koji Takayanagi - Non Executive Director, Fuminobu Oda - Non Executive Director, Clyde Micheal Bandy - Lead Independent Director, Philp Calvin Anderson - Independent Director and Micheal Lim Choo San - Independent Director.

e) The Audited consolidated Financial Highlights of CEL are as under:

Particulars	Financial Year / Period ending							
	March 31, 2007		December 31, 2006		December 31, 2005		December 31, 2004	
	US $ 000's	Rs. In lacs	US $ 000's	Rs. In lacs	US $ 000's	Rs. In lacs	US $ 000's	Rs. In lacs
Total Income	1,007,092	437,498	4,410,258	1,945,806	3,657,169	1,652,858	2,062,469	896,555
Profit After Tax	17,864	7,761	57,848	25,523	49,513	22,377	12,938	5,624
Share Capital	2	1	2	1	2	1	2	1
Reserves and Surplus (excluding Revaluation Reserve)	254,420	110524	236,314	104,262	103,553	46,801	55,606	24,172
Net Worth	254,422	110525	236,316	104,263	103,555	46,802	55,608	24,173
Earning Per Share (US $/Rs.)	0.01	0.43	0.05	2.30	0.05	2.03	0.01	0.51
Return on Net Worth (%)	7.02%	7.02%	24.48%	24.48%	47.81%	47.81%	23.27%	23.27%
Book Value Per Share (US $/Rs.)	0.20	8.55	0.18	8.07	0.09	4.26	0.05	2.20

(Source: Certificate from Price water house coopers dated August 7, 2007. Certificate dated August 9, 2007 from V Chandrasekaran, Chartered Accountant, Chennai (Membership No. 24923) for conversion into Indian Rupee)

f) CEL is listed on the Main Board of Singapore Exchange Securities Trading Limited (the "SGXST") since December 14, 2006.

V. Information on the Target Company:

a) The Target Company California Software Company Limited (Calsoft) was incorporated under the Companies Act, 1956 on February 6, 1992 with the Registrar of Companies, Tamil Nadu at Chennai with registration number U72300TN1992PLC022135. The registered office of the Company is situated at 1205, D Block, 12th Floor, Tidel Park, Taramani, Chennai 600 113, India.

b) As on the date of this PA, Calsoft has an authorized share capital of Rs 1500.00 lacs comprising of 1,50,00,000 equity shares of Rs 10/- each. It has an Issued, Subscribed and fully paid up Equity Share Capital as on the date of this PA Rs.1236.50 lacs consisting of 1,23,65,006 equity shares of Rs 10/- each. There are no partly paid up equity shares in Calsoft.

c) Calsoft is not a constituent of any group of companies. Following the consummation of the transaction described in Para I (d), its promoters would be Kemoil, which will hold 47.71% of the fully paid up equity voting capital of Calsoft

d) Calsoft is an SEI CMMi Level 5 certified company in the field of Software Products and Solutions. Calsoft along with its subsidiaries is having offshore development facilities in Chennai, Bangalore and onshore development facilities in Pleasanton (California), Alameda (California) and Boston (Massachusetts) in USA. London, Dubai ,Singapore and Japan. Calsoft along with subsidiaries is also having sales offices in USA , UK, Singapore, Japan, China, Taiwan, Dubai, Hong Kong, Copenhagen and India.

e) The equity shares of Calsoft are listed on BSE and NSE. The closing prices of the shares of Calsoft on BSE and NSE as on August 17, 2007 was Rs. 73.00 and Rs 72.15 respectively and the volume was 10,402 Equity shares and 9,858 Equity shares respectively.

f) As on the date of this PA the Board of Directors of the Target Company consists of Mr. Robert. V Chandran Non Executive Chairman, Mr. S. Santhosh Managing Director, Prof. T. T. Narendran, Dr. P. J. George, Mr. Dan G. Peterson and Mr. Fuminobhu Oda Directors.

g) All the equity shares of Calsoft are listed on BSE and NSE except:

i. 22,00,000 equity shares allotted on preferential basis to the Acquirer,

ii. 9,25,000 equity shares allotted to the Acquirer on account of the conversion of 83,25,000 FCDs

iii. 1,93,600 Equity shares allotted on preferential basis to 5 erstwhile individual shareholders of Aspire Communications Private Limited, India.

The Company is in the process of making application for the final listing of these 33,18,600 equity shares to BSE and NSE.

h) Financial Highlights of Calsoft are as under:

Financial Highlights (Consolidated) *(Rs in lacs)*

Particulars	Financial year / period ending			
	June 30, 2007*	March 31, 2007	March 31, 2006	March 31, 2005
Total Income	5394.58	16894.49	11543.95	4886.21
Profit After Tax	218.10	796.77	470.45	335.44
Share Capital	904.64	904.64	492.11	476.11
Reserves and Surplus (excluding Revaluation Reserve)	--	5547.65	2464.13	2017.48
Miscellaneous Expenditure	--	351.31	1574.90	1107.58
Net Worth	--	6100.98	1381.33	1386.02
Earning Per Share (Rs) (Diluted)	2.19	9.74	9.58	6.99
Return on Net Worth	--	13.06	34.06	24.20
Book Value Per Share (Rs)	--	67.44	28.07	29.11

*(Source: Certificate from the statutory Auditors M/s. Tomy & Francis, Chartered Accountants, (Membership No. 22763) dated July 25, 2007 / *Un-audited Quarterly Results)*

Financial Highlights (Standalone) *(Rs in lacs)*

Particulars	Financial Year / Period ending			
	June 30, 2007*	March 31, 2007	March 31, 2006	March 31, 2005
Total Income	1253.07	4983.60	3772.39	2508.46
Profit After Tax	4.39	595.09	662.86	286.34
Share Capital	904.64	904.64	492.11	476.11
Reserves and Surplus (excluding Revaluation Reserve)	--	5968.23	2979.00	2352.32
Miscellaneous Expenditure	--	42.37	13.79	5.01
Net Worth	--	6830.50	3457.32	2823.41
Earning Per Share (Rs) (Diluted)	0.04	7.27	13.49	5.96
Return on Net Worth	--	8.71	19.17	10.14
Book Value Per Share (Rs)	--	75.50	70.26	59.30

*(Source: Certificate from the statutory Auditors M/s. Tomy & Francis, Chartered Accountants, (Membership No. 22763) dated July 25, 2007 / *Un-audited Quarterly Results)*

i) Subsequent to the completion of the transaction as mentioned in clause I (d) the Acquirer is holding 47.71% of the total paid up capital of the company and by virtue of the same is in control of the Target.

j) Based on the closing price of the shares of Calsoft as on August 17, 2007 on NSE, the standalone EPS for the year ended March 31, 2007, the P/ E ratio is 9.9x times.

k) The total paid up equity share capital of Calsoft on completion of the transaction as mentioned in clause I (d) is Rs. 1236.50 lacs divided into 1,23,65,006 fully paid up equity shares of Rs. 10/ - each. There are no partly paid up shares carrying voting rights.

l) Calsoft is not having any outstanding stock options granted to its employees under any ESOP Plan.

VI. Reasons for the Acquisition and Future plan about Target Company:

a) Presently the Acquirer is a major shareholder of Calsoft and is in its control and this Offer to the shareholders of Calsoft is made pursuant to Regulations 11(1) and 12 of the Regulations consequent to the Preferential Issue of equity shares to the Acquirer and the Acquisition and the Change in the control as explained in Clause I above resulting in consolidation of their holdings in Calsoft. Calsoft is in the process of scaling up its operations. Calsoft proposes to make strategic investments, which would help it to exploit short to medium term business opportunities.

b) The Acquisition of equity shares in Calsoft by the Acquirer is made for the following reasons:-

i. Funds from the subscription of the equity shares would support the long term working capital requirements and would be used to part finance the future expansion plans of Calsoft.

ii. Consolidation of the shareholding of the Acquirer in the Target Company and making a public offer under SEBI Takeover Code.

c) To the extent required and to optimize the value to all shareholders, the Acquirer along with the PAC may, subject to applicable shareholders' consent, propose any compromise or arrangement, reconstruction, restructuring, merger, rationalizing and / or streamlining of various operations, assets, liabilities, investments, businesses or otherwise of Calsoft. The Board of Directors of Calsoft will take appropriate decisions in these matters. The Acquirer along with the PAC do not have any plan to dispose off or otherwise encumber any asset of Calsoft in the next two years except in the ordinary course of business of Calsoft and except to the extent mentioned above. However, the Acquirer along with the PAC undertake that they shall not sell, dispose off or otherwise encumber any substantial assets of Calsoft except with the prior approval of the shareholders of Calsoft and in accordance with and subject to applicable laws, permissions, consents, if any.

VII. Statutory Approvals required for the Offer:

a) To the best of the knowledge and belief of the Acquirer, as of the date of the PA, no statutory approvals are required to acquire the equity shares tendered pursuant to the Offer except the RBI approval required for the acquisition of the shares. If any other statutory approvals are required or become applicable, the Offer would be subject to the receipt of such other statutory approvals. In terms of Regulation 27 of the SEBI Takeover Code, the Acquirer will not proceed with the Offer in the event that such statutory approvals that are required for the Offer are refused.

b) The Acquirer shall complete all procedures relating to the Offer within a period of 15 days from the Offer Closing Date. It may be noted that in case the Acquirer is unable to make the payment of consideration to the shareholders who have accepted the Offer, within 15 (fifteen) days from the date of closure of the Offer, and such non-payment is due to non receipt of any of the statutory approvals, SEBI, if satisfied that the non receipt of the statutory approvals was not due to willful default or negligence on part of the Acquirer, has the power to grant an extension of time to the Acquirer for payment of consideration to the shareholders who have accepted the Offer provided the Acquirer agrees to pay interest to the shareholders for the delay beyond the above-mentioned period of 15 (fifteen) days at such rates as may be specified by SEBI under Regulation 22(12) of the SEBI Takeover Code. Further, if the delay occurs due to willful default or neglect or inaction or non-action of the Acquirer in obtaining the requisite statutory approvals, Regulation 22(13) of the SEBI Takeover Code shall be applicable.

c) The Acquirer does not require any approval from the banks or financial institutions for the offer.

VIII. Disclosure in terms of Regulation 21 (3) of the SEBI Takeover Code

The Offer will not lead to the public holding in Calsoft being reduced to below the public shareholding requirement as per the listing agreement. Hence, Regulation 21(3) of SEBI (SAST) Regulations is not applicable.

IX. Financial Arrangements:

a) The total fund requirement for the acquisition of 24,73,002 equity shares (assuming full acceptance of the offer), being 20.00% of the post issue paid up equity share capital of Calsoft at Rs 100/- per share is Rs. 24,73,00,200/- (Rupees twenty four crores seventy three lacs and two hundred only).

b) Pursuant to a keep-well undertaking of August 17, 2007, CEL has confirmed that ;

i. it will supervise the management of its wholly-owned subsidiary Kemoil so as to enable the management of Kemoil to be able to fulfill its obligations under Regulation 29 of the SEBI (SAST) Regulations, and that

ii. all funds necessary to consummate the Offer have been or will be made available on behalf of Kemoil as at the date of this Public Announcement.

c) The Acquirer and CEL (PAC), have made firm financial arrangements to meet the obligations in full under the offer. Internal resources of CEL will be available to the Acquirer for the said acquisition. No borrowings from Bank / Financial Institutions is being made for the purpose.

d) In accordance with Regulation 28 of the SEBI Takeover Code, the Acquirer has created an Escrow Account in the form of a Bank Guarantee, issued by HDFC Bank Limited, 4th Floor, 115, Dr Radhakrishnan Salai, Mylapore, Chennai 600 004 valid till December 31, 2007 in favour of Religare Securities Limited the Manager to the Offer, for an amount of Rs. 6,19,00,000/- (Rupees Six Crore Nineteen Lakhs Only) which is being in excess of 25% of the total consideration.

e) Further, Acquirer has also made a cash deposit of Rs. 25,78,715/- (Rupees Twenty Five Lacs Seventy Eight Thousand Seven Hundred and Fifteen Only) being in excess of 1% of the maximum purchase consideration payable under this Offer, in a bank escrow account titled CALSOFT - ESCROW ACCOUNT - OPEN OFFER with Canara Bank, Tidel Park Branch (Br No 2715) Tidel Park, Tharamani, Chennai.

f) RELIGARE has been authorized to realize the value of the aforesaid bank account and bank guarantee in terms of the SEBI Takeover Code.

g) In case of a revision in the Offer price, the Acquirer would raise the amount in the escrow account to ensure compliance with Regulation 28 of SEBI Takeover Code.

h) On the basis of the aforesaid financial arrangement, the Manager to the Offer is satisfied that adequate funds are available with Acquirers to implement the Offer in full in accordance with the SEBI (SAST) Regulations.

X. Other Terms of Offer:

a) The Letter of Offer together with Form of Acceptance cum Acknowledgement will be mailed to all the shareholders of Calsoft, (except the Acquirer and the PAC) whose names appear on the Register of Members and the beneficial owners of the equity shares of Target Company, whose names appear as beneficiaries on the records of the Depositories of Calsoft at the close of business hours on Friday, September 07, 2007 (specified date).

b) All the shareholders, (except the Acquirer and PAC) who own the equity shares of Calsoft before the closure of the Offer, are eligible to participate in the Offer.

c) Shareholders who wish to tender their equity shares will be required to send the Form of Acceptance cum Acknowledgement, original Share Certificate(s) and transfer deed(s) duly signed to the Registrar to the Offer: **Integrated Enterprises (India) Limited**, "***Kences Towers", II Floor, 1, Ramakrishna Street, North Usman Road, T Nagar, Chennai 600 017. Tel: +91 44 2814 0801 / 0802 / 0803, Fax: +91 44 2814 2479.*** Contact Person Mr. K. Suresh Babu, either by Hand Delivery between (10 a.m. to 4 p.m. from Friday, October 12, 2007 to Wednesday, October 31, 2007) or by Post or through courier so as to reach the Registrar to the Offer on or before the closure of the Offer, i.e. Wednesday, October 31, 2007 in accordance with the instructions specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement.

d) The Registrar to the Offer has opened a special depository account with NSDL styled "Escrow Account - Calsoft Open Offer". The name of the Depository Participant ("DP") is Integrated Enterprises (India) Limited. The DP ID is IN 300441 and Beneficiary ID is 11082749.

e) Persons who own the equity shares but have not registered the same will be required to submit documents such as original broker's contract note and transfer deed(s) executed by the registered holder of the equity shares to prove their title to the equity shares in respect of which they are accepting the Offer.

f) Beneficial owners (holders of equity shares in Dematerialised form) who wish to tender their equity shares will be required to send their Form of Acceptance cum Acknowledgement along with a photocopy of the delivery instructions in "Off-Market" mode or counterfoil of the delivery instruction in "Off-Market" mode, duly acknowledged by the Depository Participant ("DP"), in favour of the special depository account to the Registrar to the Offer either by Hand Delivery between 10 a.m. to 4 p.m. or by Post or through courier so as to reach the Registrar to the Offer on or before the closure of the Offer, i.e. Wednesday, October 31, 2007 in accordance with the instructions specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement. The beneficial owner should also ensure that the credit of the shares in the special depository account should be received before closure of the Offer i.e. Wednesday, October 31, 2007. In case of non-receipt of the aforesaid documents, but receipt of the equity shares in the special depository account, it will be deemed that the shareholder has tendered acceptance of the Offer.

g) Shareholders having their beneficiary account with Central Depository Services Limited (CDSL), have to use inter-depository delivery instruction slip for the purpose of crediting their Equity shares in favour of the Special Depository Account with NSDL.

h) Shareholders who have sent their physical shares for Dematerialization need to ensure that process of getting shares dematerialized is completed well in time so that the credit in the special depository account should be received before closure of the Offer i.e. Wednesday, October 31, 2007 else the application will be rejected.

i) Unregistered owners can send their application in writing to the Registrar to the Offer on a plain paper stating the Name, Address, Number of equity shares held, Number of equity shares offered, valid transfer deeds and the original contract note issued by the SEBI registered broker through whom they acquired their equity shares.

j) In case of non-receipt of the Letter of Offer and/or persons who have sent the equity shares for transfer may make an application on plain paper stating their name, address, number of equity shares held, distinctive numbers, folio number and the number of equity shares in respect of which they are accepting the Offer along with the original share certificate(s) and duly signed transfer deed(s).

k) In case of non-receipt of the Letter of Offer by beneficial owners, they may send the application in writing to the Registrar to the Offer, on a plain paper stating the name, address, no. of equity shares held, no. of equity shares offered, DP name, DP ID, Beneficiary account number and a photocopy of the delivery instruction in "Off-Market" mode or counter foil of the delivery instruction in "Off-Market" mode duly acknowledged by the DP, in favour of the special depository account, to the Registrar to the Offer, during the period the Offer is open for acceptance i.e. between Friday, October 12, 2007 and Wednesday, October 31, 2007.

l) While tendering shares under the Offer, NRIs / OCBs / foreign shareholders will be required to submit the previous RBI Approvals (specific or general) that they would have obtained for acquiring shares of Target Company. In case of previous RBI Approvals not being submitted, the Acquirer reserves the right to reject the offer. While tendering shares under the Offer, NRI / OCBs / foreign shareholders will be required to submit a Tax Clearance Certificate from the Income Tax authorities, indicating the amount of tax to be deducted by the Acquirer under the Income Tax Act, 1961 before remitting the consideration. In case the aforesaid Tax Clearance Certificate is not submitted, the Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the category of the shareholder under the Income Tax Act, 1961, on the entire consideration amount payable to such shareholder

m) In case the shares tendered in the Offer by the shareholders, are more than the shares to be acquired under the Offer, the acquisition of shares from each shareholder will be as per the provisions of Regulation 21 (6) of the SEBI Takeover Code on a proportionate basis, in such a way that the acquisition from a shareholder shall not be less than the minimum marketable lot or the entire holding if it is less than the marketable lot. Market lot for the Target Company's share is one share.

n) The Registrar to the Offer will hold in trust the Shares / Share certificates, Form of Acceptance-cum-Acknowledgement, if any, and the transfer form/s on behalf of the shareholders of Calsoft who have accepted the Offer, till the Cheques /drafts for the consideration and/or the unaccepted shares/share certificates are dispatched / returned. Unaccepted Share Certificates, transfer forms and other documents, if any, will be returned by Registered Post at the shareholders'/unregistered owners' sole risk to the sole/first shareholder. Shares held in demat form to the extent not accepted will be credited back to the beneficial owners' depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance cum Acknowledgement.

o) The Letter of Offer along with the Form of Acceptance & Form of Withdrawal will be available for download from SEBI website: http://www.sebi.gov.in from the date on which the Offer opens.

p) A tentative schedule of the major activities in respect of the Offer is given below:

Activity	Day and date
Specified Date*	Friday, September 07, 2007
Last date for a competitive bid	Monday, September 10, 2007
Date by which Letter of Offer to be dispatched to shareholders	Wednesday, October 03, 2007
Date of opening of the Offer	Friday, October 12, 2007
Last date for upward revision of the Offer Price	Tuesday, October 23, 2007
Last date for withdrawing acceptance of the Offer	Friday, October 26, 2007
Date of closing of the Offer	Wednesday, October 31, 2007
Last date of communicating rejection / acceptance and payment of consideration for accepted tenders and / or the unaccepted equity shares / share certificates will be dispatched / credited.	Tuesday, November 13, 2007

** Specified date is only for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer would be sent and all owners (registered or unregistered) of the shares of the Target Company (except Acquirer, PAC and Seller) are eligible to participate in the Offer anytime before the closing of the Offer.*

XI. General:

a) ***Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the Public Announcement/ Letter of Offer shall have the option to withdraw acceptance tendered by them upto 3 (three) working days prior to the date of Close of the Offer, in terms of Regulation 22 (5A) of the SEBI (SAST) Regulations.***

b) If there is any upward revision in the Offer Price before the last date of revision in terms of Regulation 26 of the SEBI Takeover Code, i.e. Tuesday, October 23, 2007, or Withdrawal of the Offer, the same would be informed by way of a Public Announcement in the same newspapers in which the original Public Announcement appeared. Such revised Offer Price would be payable to all the shareholders who have tendered their shares any time during the Offer and have been accepted under the Offer.

c) If there is competitive bid:

i. The public Offers under all the subsisting bids shall close on the same date.

ii. As the Offer Price can not be revised during 7 working days prior to the closing date of the Offers / bids, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final Offer Price of each bid and tender their acceptance accordingly.

d) Neither the Acquirer and PAC nor the Target Company has been prohibited by SEBI from dealing in securities, in terms of directions issued under section 11B of the SEBI Act, 1992, as amended ("the SEBI Act") or any other Regulation made under the SEBI Act.

e) Pursuant to Regulation 13 of SEBI (SAST) Regulations, the Acquirer has appointed RELIGARE as Manager to the Offer.

f) The Acquirer accepts full responsibility for the information contained in this Public Announcement and also for the obligations of the Acquirer as laid down in the SEBI (SAST) Regulations, 1997 and any subsequent amendments thereof.

This Public Announcement will also be available on SEBI's website at https://www.sebi.gov.in.

Issued by:

Manager to the Offer

RELIGARE
Values that bind

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Contact Person: Mr. Ritesh Shroff
Chennai Branch: Citi Towers, 117, Sir Thegaraya Road, T. Nagar, Chennai - 600 017.

On behalf of

Kemoil Limited
Level 28, Three Pacific place, 1, Queen Road East, Hong Kong

Date: August 20, 2007