



CCS INFOTECH LIMITED

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**Annual Report
2003**

CCS INFOTECH LIMITED

BOARD OF DIRECTORS

**MR. H. RATNA KUMAR
MR. M.A. HASAN ABDUL KADER M.A.
MR. ANOOP BALARAMAN
MR. S. SAM KUMAR
MR. RAVI VARMA**

AUDITORS

**M/s. Paras & Associates
Chartered Accountants**

BANKERS

**Tamilnad Mercantile Bank Limited.
The Vysya Bank Limited
HDFC Bank Limited**

REGISTERED OFFICE

**Flat No.7, III Floor, CCS Towers
14, Periyar Road, T. Nagar,
Chennai 600 017.**

SHARE TRANSFER AGENTS

**M/s.Cameo Corporate Services Ltd.
"Subramaniam Building", V Floor,
1 Club House Road,
Chennai 600 002.
Phone : (044) 28460390 (5 lines)
Fax : (044) 28460129**

CCS INFOTECH LIMITED**NOTICE**

Notice is hereby given that the Sixth Annual General Meeting of the members of **CCS INFOTECH LIMITED** will be held on 27th September, 2003 at 10.00 A.M. at the Registered office at Flat No.7, III Floor, CCS Tower, 14, Periyar Road, T.Nagar, Chennai – 600 017, to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March 2003, the Profit and Loss Account for the period ended on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Ratna Kumar, who retires by rotation and being eligible, offers himself for re-appointment as Director.
3. To appoint Auditor of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix his remuneration.

M/s.PARAS & ASSOCIATES, Chartered Accountants, Chennai, retiring Auditor is eligible for reappointment.

SPECIAL BUSINESS

4. Voluntary delisting of Company's Equity Shares from Madras and Calcutta Stock Exchange.

To consider and if thought fit, to pass with or without modification(s) the following resolution a **SPECIAL RESOLUTION**.

"RESOLVED THAT subject to the provisions of the Companies Act, 1956 (including any statutory modifications or re enactment thereof for the time being in force and as may be enacted hereinafter) and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any committee thereof for the time being exercising the powers conferred on the Board by this resolution), the unanimous consent of the members of the company be and is hereby accorded to the Board to make application to the Madras Stock Exchange and Calcutta Stock Exchange Limited for the purpose of delisting from the said exchanges, the equity shares of the company with immediate effect.

CCS INFOTECH LIMITED

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps expedient or desirable to give effect to this resolution."

BY ORDER OF THE BOARD

FOR CCS INFOTECH LIMITED

Place: Chennai
Date: 28-08-2003

M.A.HASAN ABDUL KADER
MANAGING DIRECTOR

Notes:

1. **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 and a proxy need not be a member of the Company. Instrument of Proxies, in order to be effective, must be deposited at the Registered Office of the Company at least 48 hours before the commencement of the meeting.**
2. **A bio-data of the Directors proposed to be re-appointed at Serial No. 2 of the Ordinary Business is given below**

Mr.H. Ratna Kumar	Age 34 years	BE in Computer Science Engg from Regional Engineering College, Trichy,	He is holding the office of Director in ELITE PERIPHERALS LIMITED
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3. **The Explanatory Statement as required under 173(2) of the Companies Act, 1956 in respect of resolution set out against 4 is enclosed herewith.**
4. **The Register of Members and the Share Transfer Books of the Company will remain closed from 25th September, 2003 to 27th September, 2003 (Both days inclusive).**
5. **Members are requested to intimate to the Registrar and Transfer Agents M/s.CAMEO CORPORATE SERVICES LIMITED No.1, Subramanian Building, Club House Road, Mount Road, Chennai 60 002, change of addresses, if any at the earliest, quoting their Folio number.**
6. **Members/Proxy holders are requested to bring with them the following to the meeting:**
 - (i) **The attendance slip and hand it over at the entrance duly signed.**
 - (ii) **Their copies of the annual report.**

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7. *Members desiring any information regarding accounts are requested to write to the Registered Office of the Company at an early date to enable the management to keep the information ready at the meeting.*
8. *As per provisions of Section 109A of the Companies Act, 1956 Member(s) who are holding Equity shares in the company may nominate a person on whom the Shares will vest in the event of death of the holder(s) in the prescribed manner. Member(s) desiring to make such a nomination are requested to send the prescribed Form-2B to the Registered Office of the Company at Chennai.*
9. *Equity shares of the company are in the Depository, set up by National Securities Depository Limited and Central Depositories Services (India) Limited. The shares of the Company are in the compulsory dematerialisation list specified by SEBI and are traded in the demat mode and the shareholders are requested to get their holding dematerialized as early possible, in their own interest.*

EXPLANATORY STATEMENT UNDER SECTION 173 OF THE COMPANIES ACT, 1956 FOR SPECIAL BUSINESS ITEM NOS.4

ITEM NO.4

As the members are aware, the equity shares of the Company are presently listed with Mumbai Stock Exchange, Madras Stock Exchange and Calcutta Stock Exchange. In view of the slow down in the IT Industry, there has not been much of trading activity in respect of medium size companies like ours. There has not been any sizable volume also.

SEBI has recently formulated guidelines, by which the companies are allowed to get their shares delisted from certain Stock Exchange, provided that the company continues the listing with BSE or NSE. Considering the volume of trading and the number of shareholders of the company, continuance of the listing with more stock Exchange than what is required, poses financial burden on the company. In order to save cost and at the same time to provide sufficient liquidity to the investors, the Board of Directors have decided to continue the listing with BSE, but to get the shares delisted from Madras and Calcutta Stock Exchanges.

For this purpose, the company is required to obtain the consent of the shareholders by means of Special Resolution. Hence an item is included in the notice for the AGM, requesting your consent for the above proposal.

None of the Directors are interested or concerned in the resolution.

BY ORDER OF THE BOARD

FOR CCS INFOTECH LIMITED

**M.A.HASAN ABDUL KADER
MANAGING DIRECTOR**

Place: Chennai
Date: 28-08-2003

CCS INFOTECH LIMITED**DIRECTORS' REPORT**

Your Directors have great pleasure in presenting their Sixth Annual Report and the Audited Accounts of the Company for the year ended 31st March, 2003.

FINANCIAL RESULTS :

	Year ended 31-03-2003	Rupees in lacs Year ended 31-03-2002
Profit before Depreciation and Tax	112.82	174.09
Less Depreciation	11.22	57.82
Profit Before Tax	101.60	116.27
Provision for Tax-Current and Deferred	1.00	6.25
Provision after Tax	100.60	110.02
Balance Carried forward to Balance Sheet	102.96	116.14

BUSINESS OUTLOOK

We are an ISO 9002 certified company, now we have renewed and upgraded to ISO 9001-2000. We are an Intel Premier Provider and have Intel Certification for servers, work stations, Home PCs and note Books. We are a Microsoft Certified partner and have recieved Microsoft certification for all our range of products. During the financial year 2002-2003 we have developed software products named CMIS (College Management and Information Systems) and JEMS (Jewellery Management Systems) and all expenditure relating to the development was transferred to fixed assets. We have executed orders for supply of computers to prestigious banks/ corporations like Indian Bank, Kerala State Electricity Board, Life Insurance Corporation etc., through our channel partners. We have taken IIT rate contract for supply of computers and payroll package software development work from NAVY. Your Company has started overseas operations at Singapore recently. Your director's vision is to make CCS into a global company. CCS has started manufacture of note books in the brand name of CCS from our Pondy Factory. Your Company has got certifications like DMI compliance 2.0, Validation Certificate from Intel for CCS server, Y2K certification etc. We have in tenders at Mauritius and your Directors have plan to an open office at the Mauritius. We have bagged a prestigious E-Governance project (E-Seva) from Information Technology and Communications Department, Andhra Pradesh for Zone III comprising of Nellore, Guntur and Prakasam Districts. We have tied-up with VIVEKS a chain of consumer durables show room for selling CCS brand of Computers.

DIVIDEND

To conserve the liquid resources and plough back the profits for expansion activities of the Company your Directors do not recommend any dividend for the financial year 2002-2003

MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Clause 49 of the listing agreement, a Management Discussion and Analysis Report is given in addition to this report

DIRECTOR

Mr. Ratna Kumar, retires by rotation, at the ensuing Annual General Meeting and being eligible, offers himself for reappointment as Director.

A bio-data of the Directors proposed to be re-appointed at the ensuing Annual General Meeting is attached in the notice calling the meeting.

DEPOSITS

The Company has not accepted any deposits from the public

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to section 217 (2AA) of the Companies Act, 1956, the Directors confirm that:

- a) In the preparation of the annual accounts, the applicable Accounting standards have been followed:
- b) Appropriate accounting policies have been selected and applied consistently and have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit of the company for that period;
- c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities:
- d) The annual accounts have been prepared on a going concern basis:

AUDITORS AND AUDITOR'S REPORT

Members are hereby informed that M/s. PARAS & Associates, Chartered Accountants, Chennai have been appointed as Auditor of the Company to hold office till the conclusion of next Annual General Meeting. M/s. PARAS & Associates, Chartered Accountants, have offered their services to act as Auditor and have also offered the Board their appointment, if considered would be within the prescribed limit under section 224(1B) of the Companies Act, 1956. The Board request the members to consider their appointment from the conclusion of the ensuing AGM till the conclusion of the subsequent AGM.

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STATEMENT UNDER SECTION 217(2A)

Particulars of employees pursuant to section 217(2A) of the Companies Act, 1956 (read with companies particulars of employees rules, 1975) regarding particulars of employees, are not applicable, since none of the employees are in receipt of remuneration in excess of the limit specified herein during the period under review.

CORPORATE GOVERNANCE

Your Company has always striven to incorporate appropriate standard for good corporate governance. It has taken adequate steps to ensure that all mandatory provisions of Corporate Governance as prescribed under amended Listing Agreements of the Stock Exchanges with which the company is listed are complied with. A separate report on Corporate Governance is produced as a part of Annual Report. Pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges a report on Corporate Governance along with Auditors Certificate of its Compliance is included as part of the Annual Reports

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUT GO.

The Company has no activity relating to conservation of energy or technology absorption. Further the Company did not have any foreign exchange earning or outgo during the year

ACKNOWLEDGEMENT

Your Directors wish to place on record their deed appreciation of the dedication and commitment of the employees to the growth of your Company during the year. Your Directors also express their sincere gratitude to the banks, consultants, auditors and shareholders for their continuous patronage and co-operation.

FOR AND ON BEHALF OF
THE BOARD OF DIRECTORS
CCS INFOTECH LIMITED

M.A.HASAN ABDUL KADER
CHAIRMAN

Place : Chennai
Date : 28-08-2003

ANNEXURE – 'A'

**TO THE SIXTH ANNUAL REPORT OF THE BOARD OF DIRECTORS
REPORT ON CORPORATE GOVERNANCE**

1. Introduction

The Company is complying with the mandatory requirements of the code of Corporate Governance introduced by the SEBI and incorporated in Clause 49 of the Listing Agreement in all material respects.

2. Company's Philosophy on Code of Corporate Governance

The Basic philosophy of the company towards Corporate Governance is to protect and enhance the long-term value of all the stakeholders – shareholders, clients, creditors and employees. The Company is committed to achieve these objectives within regulatory framework through transparency in dealings.

3. Board of Directors

The Company is managed by Managing Director under the direction, control and supervision of the Board of Directors and it meets at regular intervals. Policy formulation, evaluation of performance and control functions vest with Board. During the period ended 31st March, 2003, Seven (07) Board Meetings were held on, 01-04-2002, 01-06-2002, 30-06-2002, 31-07-2002, 31-10-2002, 31-01-2003 and 31.03.2003. The last Annual General meeting was held on 30 September, 2002. The Composition of Board, attendance of each Director at the Board Meetings held during the year under review as well as in the last Annual General Meeting and number of other Directorship / Committee memberships held by them are as follows -

Name(s) of Director(s)	Designation and Category	No. of Board Meetings in The Year		Attendance Last AGM	Number of outside (excludes Private and Foreign companies)	Directorships Number of Board Committee memberships Held in other companies
		Held	Attended			
M.A.HASAN ABDUL KADER	Chairman & Managing Director	7	7	YES	01	NII
H.RATNAKUMAR	Director – EXECUTIVE	7	7	YES	01	NII
ANOOP BALARAMAN	Director Independent	7	7	YES	NII	NII
SAM KUMAR	Director Independent	6	6	YES	NII	NII
RAVI VARMA	Director Independent	6	6	YES	NII	NII

Further the Board of Directors would like to inform the members that none of the directors are disqualified to act as directors of this company or any other public company under Section 274(1)(g) and other applicable provisions of the Companies Act, 1956.

Information about the Directors proposed to be appointed/ re-appointed required to be furnished pursuant to Clause 49 of the listing agreement with the Stock Exchanges is forming part of the notice of the 6th Annual General Meeting to the shareholders of the Company.

Committees of the Board

1. Audit Committee

Terms of reference

Your company has an independent audit committee. The composition procedures, powers and role/functions of the audit committee constituted by the company comply with the requirements of Clause 49 of the Listing Agreement. The terms of reference of the Audit Committee included the following:

- * Overseeing the company's financial reporting process and the disclosure of its financial information.
- * Recommending appointment and removal of the external auditor, fixing of audit fees and approving payments for any other service.
- * Reviewing with management the quarterly, half yearly and annual financial statement with primary focus on accounting policies and practices, compliance with accounting standards and stock exchange and legal requirements concerning financial statements.
- * Reviewing adequacy of internal control systems in order to have the effective use and safeguard of resources and compliance with statutes polices and procedures and ensure compliance of internal control systems and reviewing the company's financial and risk management policies.
- * Reviewing reports furnished by the Statutory Auditors and ensuring suitable follow up thereon.

Composition and Attendance

The Company has an Audit Committee of the Board consisting of three "Non-Executive Directors", who are also Independent Directors, who met four times during the year under review as cited below:-

Name of Directors	Status	No.of Meetings held	No. of Meetings attended
SAM KUMAR	Chairman	4	4
ANOOP BALARAMAN	Member	4	4
RAVI VARMA	Member	4	4

The quorum shall be either 2 members or one third of the members of the Audit Committee, whichever is higher and there shall be a minimum of two independent directors. Head of Finance and Representatives of Statutory Auditors are also invited and attended the meeting.