



CCS Infotech Limited

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10th

ANNUAL REPORT
2006 - 2007

CCS INFOTECH LIMITED

Board of Directors

Mr.M.A.Hasan Abdul Kader	-	Chairman and Managing Director
Mr.H. Ratnakumar	-	Executive Director
Mr. P. Ravivarma	-	Director (Non Executive and Independent)
Mr. D. Mohamed Keyasudeen	-	Director (Non Executive and Independent)
Mrs. E. Selvarani	-	Director (Non Executive and Independent)

Registered Office

Flat No-7, III Floor
"CCS TOWERS"
No-14, Periyar Road,
T.Nagar, Chennai- 600017

Auditors

M/s.S.Baskaran & Co.
Chartered Accountants, Chennai 600 029

Bankers

State Bank of India,
Tamilnadu Mercantile Bank

Factory

"Lakshmi Home" Plot no-14,
Block C, Vinoba Nagar,
Mariamman Koil Street
Pondicherry- 13

Registrar and Share Transfer Agents

M/s. Venture Capital & Corporate
Investment Limited
No.12-10-167 Bharat Nagar,
Hyderabad- 500 018.
Ph. No: 040- 23818475 /76 / 23868023

CCS INFOTECH LIMITED

NOTICE

NOTICE is hereby given that the Tenth Annual General Meeting of the shareholders of M/s CCS Infotech Limited will be held at the Registered Office of the Company at "CCS TOWERS" NO-7, IIIrd Floor, No. 14, Periyar Road, T. Nagar, Chennai- 600017 on Saturday, the 29th day of September, 2007 at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the Audited Balance Sheet as at 31st March 2007 and the Profit & Loss Account for the year ended on that date and the reports of the Directors, and Auditors thereon..
2. To appoint a Director in place of Mr. P. Ravivarma, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Statutory Auditors and fix their remuneration. M/s.S.Baskaran & Co., Chartered Accountants, Chennai, the retiring Auditors of the Company are eligible for reappointment and offer themselves for reappointment.

SPECIAL BUSINESS

4. To consider, and if thought fit, to pass with or without modification the following resolution as an **ordinary resolution**

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310 and Schedule XIII of the Companies Act, 1956 and other applicable provisions if any of the Companies Act, 1956 consent of the company be and is hereby accorded for the revision of salary of Mr.M.A.Hasan Abdul Kader, Managing Director of the Company, for the remaining period with effect from 01st April, 2007 as follows:

A. Salary : Rs.50,000/- (Rupees Fifty Thousand only) per month with authority to the Board of Directors to grant suitable increments from time to time.

B. Perquisites and Allowance: Perquisites and allowances payable to Mr.M.A.Hasan Abdul Kader, shall be determined by the Board of Directors from time to time and shall not exceed Rs.25,000/- (Rupees Twenty Five Thousand only).

(i) Housing

Suitable residential accommodation, free of cost with all facilities, amenities and services (including gas, electricity, water and furnishings). In case Mr.M.A.Hasan Abdul Kader, does not opt for company provided accommodation at any time, he shall be paid house rent allowance of a sum not exceeding 50% of the salary. The expenditure incurred by the Company on gas, electricity, water and furnishings provided to him shall be evaluated as per the Income Tax Rule, 1962.

(ii) Medical Re-imbursement

Reimbursement of medical expenses incurred by Mr.M.A.Hasan Abdul Kader, for self and family in accordance with rules and regulations of the Company as may be enforced from time to time.

(iii) Leave and Leave Travel Concession:

Leave period of 6 weeks on full pay and allowances, for the entire period of 12 months of services, subject to the conditions that the leave accumulated but not availed of will not be allowed to be encashed. The Company will bear the full costs of leave passage for Mr.M.A.Hasan Abdul Kader and his family, once during

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the period of 12 months to any destination in India. In case it is proposed that the leave be spent abroad, the Company will bear the full cost of air passage by Club Class for Mr.M.A.Hasan Abdul Kader and his family for the said period not exceeding the cost of return passage to his home country.

(iv) Club Fees:

Mr.M.A.Hasan Abdul Kader, shall be entitled to the reimbursement of fees of any two clubs in India, including admission or entrance fees and monthly or annual subscriptions.

(v) Personal Accident Insurance:

The Company shall pay an annual premium of a sum not exceeding Rs.7000/- for a personal accident insurance policy of Mr.M.A.Hasan Abdul Kader.

(vi) Car, Driver & Telephone:

The Company will provide Mr.M.A.Hasan Abdul Kader with a Car and driver and a Telephone at his residence for use on Company's business. Use of Car for private purposes and personal long distance calls on the telephone shall be billed by the Company to Mr.M.A.Hasan Abdul Kader.

In case the Company is not able to provide a driver to Mr.M.A.Hasan Abdul Kader, the expenses for engaging a driver will be reimbursed to him as per the Company's rules."

"RESOLVED FURTHER THAT in the event of the Company incurring a loss or having inadequate profits in any financial year, the remuneration, benefits and perquisites payable or extended to Mr.M.A.Hasan Abdul Kader shall be in accordance with the provisions of Section II of Part II of Schedule XIII to the Act, as may be in force from time to time."

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

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310 and Schedule XIII of the Companies Act, 1956 and other applicable provisions if any of the Companies Act, 1956 consent of the company be and is hereby accorded for the revision of salary of Mr. H. Ratnakumar, Executive Director of the Company, for the remaining period with effect from 01st April, 2007 as follows:

A. Salary : Rs.50,000/- (Rupees Fifty Thousand only) per month with authority to the Board of Directors to grant suitable increments from time to time.

B. Perquisites and Allowance: Perquisites and allowances payable to Mr.H.Ratnakumar, shall be determined by the Board of Directors from time to time and shall not exceed Rs.25,000/- (Rupees Twenty Five Thousand only).

(i) Housing

Suitable residential accommodation, free of cost with all facilities, amenities and services (including gas, electricity, water and furnishings). In case Mr. H. Ratnakumar , does not opt for company provided accommodation at any time, he shall be paid house rent allowance of a sum not exceeding 50% of the salary. The expenditure incurred by the Company on gas, electricity, water and furnishings provided to him shall be evaluated as per the Income Tax Rule, 1962.

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(ii) **Medical Re-imbursement**

Reimbursement of medical expenses incurred by Mr. H. Ratnakumar, for self and family in accordance with rules and regulations of the Company as may be enforced from time to time.

(iii) **Leave and Leave Travel Concession:**

Leave period of 6 weeks on full pay and allowances, for the entire period of 12 months of services, subject to the conditions that the leave accumulated but not availed of will not be allowed to be encashed. The Company will bear the full costs of leave passage for Mr. H. Ratnakumar and his family, once during the period of 12 months to any destination in India. In case it is proposed that the leave be spent abroad, the Company will bear the full cost of air passage by Club Class for Mr.H.Ratnakumar and his family for the said period not exceeding the cost of return passage to his home country.

(iv) **Club Fees:**

Mr. H. Ratnakumar, shall be entitled to the reimbursement of fees of any two clubs in India, including admission or entrance fees and monthly or annual subscriptions.

(v) **Personal Accident Insurance:**

The Company shall pay an annual premium of a sum not exceeding Rs.7000/- for a personal accident insurance policy of Mr. H. Ratnakumar.

(vi) **Car, Driver & Telephone:**

The Company will provide Mr. H. Ratnakumar with a Car and driver and a Telephone at his residence for use on Company's business. Use of Car for private purposes and personal long distance calls on the telephone shall be billed by the Company to Mr.H.Ratnakumar.

In case the Company is not able to provide a driver to Mr. H. Ratnakumar, the expenses for engaging a driver will be reimbursed to him as per the Company's rules."

"**RESOLVED FURTHER THAT** in the event of the Company incurring a loss or having inadequate profits in any financial year, the remuneration, benefits and perquisites payable or extended to Mr. H. Ratnakumar shall be in accordance with the provisions of Section II of Part II of Schedule XIII to the Act, as may be in force from time to time."

By Order of the Board
For CCS INFOTECH LIMITED

Chennai
03rd September, 2007

M.A. HASAN ABDUL KADER
Managing Director

Registered Office:
Flat No-7, IIIrd Floor "CCS TOWERS"
No-14, Periyar Road, T.Nagar, Chennai- 600017

CCS INFOTECH LIMITED**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. PROXY TO BE VALID MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS APPENDED WITH THE ADMISSION SLIP.**
2. The Register of Members and Share Transfer Books of the Company shall remain closed from 27th September, 2007 to 29th September, 2007 (Both days Inclusive)
3. Explanatory Statements relating to the item of Special business is annexed hereto, as required under Section 173(2) of the Companies Act, 1956.
4. Members are hereby requested to send all corresponded concerning transfers, transmissions, subdivision, consolidation of shares or any other share related matters and/or change in address to the Company's Registrar and Share Transfer Agent, quoting their folio No/DP ID/ Client ID in all correspondence.
5. Members desiring to have any clarification on account are requested to write to the Company at an early date so as to enable the Company keep the information ready.
6. Members/proxies should bring the attendance slip duly filled in for attending the meeting and corporate members are requested to send a duly certified copy of the Board resolution/ Power of Attorney authorizing their representative to attend and vote at the Annual General Meeting.
7. Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under section 109A of the Companies Act, 1956, are requested to write to the Company's Registrar for the prescribed form. On request the necessary form can be obtained from the RTA.
8. Information pursuant to clause 49 of the listing agreement in respect of proposed appointment/ re-appointment of directors

01	Name	:	Mr. P. Ravivarma
02	Age	:	44
03	Qualifications	:	Bachelor in Arts
04	Expertise	:	Business Development, Software content production Expertise.
05	Other Directorships Name of the Company	:	Nil
06	Committee Memberships, if any, with position	:	Member of Audit Committee, muneration Committee and Shareholders Grievance Committee

CCS INFOTECH LIMITED**EXPLANATORY STATEMENT**

Pursuant to Section 173(2) of the Companies Act, 1956

Item No.4**Increase of Salary of Mr.M.A.Hasan Abdul Kader, Managing Director**

As recommended by the Remuneration Committee the Board of Directors at their meeting held on 21st April, 2007, subject to the approval of shareholders revised the remuneration of Mr.M.A.Hasan Abdul Kader, Managing Director of the Company from Rs.25,000/- per month to Rs.50,000/- per month along with other perquisites and allowances as described in the resolution placed before you for your approval. They have also approved that the minimum remuneration to be payable in the event of loss incurred during any financial year shall be in conformity to Schedule XIII of the Companies Act, 1956. Mr.M.A. Hasan Abdul Kader has versatile experience in the areas of Computer Hardware and long-term strategy planning. Board of Directors recommended passing of above Resolutions placed before them for their approval.

This may be treated as an abstract of the terms and conditions between the Company and Mr. M.A. Hasan Abdul Kader as Managing Director pursuant to the provisions of the Section 302 of the Act.

Except Mr.M.A. Hasan Abdul Kader, none of the Directors of the Company are interested or concerned in this resolution.

Item No.5**Increase of Salary of Mr. H.Ratnakumar, Executive Director**

As recommended by the Remuneration Committee the Board of Directors at their meeting held on 21st April, 2007, subject to the approval of shareholders revised the remuneration of Mr.H.Ratnakumar, Executive Director of the Company from Rs.25,000/- per month to Rs.50,000/- per month along with other perquisites and allowances as described in the resolution placed before you for your approval. They have also approved that the minimum remuneration to be payable in the event of loss incurred during any financial year shall be in conformity to Schedule XIII of the Companies Act, 1956. Mr. H.Ratnakumar, has versatile experience in the areas of Computer Hardware and long-term strategy planning. Board of Directors recommended passing of above Resolutions placed before them for their approval.

This may be treated as an abstract of the terms and conditions between the Company and Mr. H.Ratnakumar as Executive Director pursuant to the provisions of the Section 302 of the Act.

Except, Mr. H.Ratnakumar, none of the Directors of the Company are interested or concerned in this resolution

By Order of the Board
For CCS INFOTECH LIMITED

Chennai
03rd September, 2007

M.A. HASAN ABDUL KADER
Managing Director

Registered Office:

Flat No-7, IIIrd Floor "CCS TOWERS"
No-14, Periyar Road, T.Nagar, Chennai- 600017

CCS INFOTECH LIMITED**DIRECTORS' REPORT TO THE MEMBER**

Your Directors have great pleasure in presenting the Tenth Annual Report together with Audited Accounts of the Company for the year ended 31st March 2007 and the Auditors' report thereon.

FINANCIAL RESULTS

The stand-alone financial results of CCS Infotech Limited for the year ended March 31, 2007 are presented below:-

Particulars	(Amount In Rs.)	
	2006-2007	2005-2006
Income from operations	622,652,354.79	58,84,68,772.97
Less: Depreciation	4,62,640.00	7,21,146.60
Profit before Tax	30,117,791.26	4,04,86,775.65
Less: Provision for		
Current Tax	7,603,210.62	34,94,347.30
Deferred Tax	80,753.00	14,34,261.00
Fringe Benefit Tax	1,14,809.00	1,11,183.00
Less: Prior Period Expenses	-	-
Add Excess Provision W/ back	-	-
Balance carried to Balance sheet	22,480,524.64	3,54,46,984.35

FIXED DEPOSITS

Your Company has not accepted any fixed deposits during the year under review.

DIVIDEND

Your Board of Directors plan to retain the profit for expansion activities of the Company, hence no dividend is recommended.

SUBSIDIARY COMPANIES

The Company continue to have one Subsidiary ie., **CCS INFOTECH SINGAPORE PTE. LIMITED**. As required under Section 212 of the Companies Act, 1956 the Audited Balance Sheet and Profit and Loss Account along with the respective reports of the Board of Directors and the Auditors Report thereon of the Subsidiary company for the year ended March 31, 2007 are attached. The Statement pursuant to Section 212 of the Companies Act, 1956 also forms part of the Annual Report.

As per the requirement of AS-21/27 issued by the ICAI, your company is pleased to present here with the consolidated balance sheet, profit and loss account and cash flow statement of the Company and its subsidiary.

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STATUTORY STATEMENTS

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Your Company has activities as annexed to this report relating conservation of energy or technological absorption as required to disclose under Section 217 (1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988.

Particulars of Employees

During the year under review, there were no employees covered under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

Directors' Responsibility Statement

Pursuant to the requirement u/s 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement your Directors to the best of their knowledge and belief confirm that:

- (i) in the preparation of the annual accounts, the applicable Accounting Standards and given proper explanation relating to material departure;
- (ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give 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;
- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act so as to safeguard the assets of the Company and to prevent and detect fraud and other irregularities; and
- (iv) they have prepared the annual Accounts on a going Concern basis.

Internal Controls and their Adequacy:

The internal control systems are commensurate to the size of the operation of the Company. Whenever it is required, the systems and procedures are upgraded to suit the changing business needs.

Statement Pursuant to Listing Agreement

The company's securities are listed with Bombay Stock Exchanges and it has paid the respective annual listing fees up-to-date and there is no arrear.

The Company has obtained your approval at the Annual general Meeting held on 27th September 2003 to voluntary delist the Company's shares from Madras and Calcutta Stock Exchange and the Company's application for delisting is pending with both the Stock Exchanges.

Code of Corporate Governance

A detailed report on Corporate Governance as updated with the particulars of this Financial year, as per the directions from SEBI is annexed to this report (Annexure A') together with Report of the Auditors on the compliance with the said Code and a report of Management discussion and Analysis is also annexed separately.

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Directors

In compliance with the provisions of the Companies Act, 1956 in accordance with the Company's Articles of Association, Mr. P. Ravivarma retires at this Annual General Meeting and being eligible, offers himself for re-appointment.

Brief resume of the Directors, seeking appointment/re-appointment, nature of their expertise as stipulated under clause 49 of the listing agreement with the Stock Exchanges, is appended to the notice convening the Annual General Meeting.

Auditors

The retiring auditors, M/s. S.Baskaran & Co, Chartered Accountants have expressed willingness to continue in office, if appointed. They have furnished to the Company a certificate of their eligibility for appointment as auditors, pursuant to section 224 (1B) of the Companies Act, 1956.

The Audit committee and the Board of Directors recommend the re-appointment of M/s. S.Baskaran & Co, Chartered Accountant as Auditors for a further period of one year and to fix their remuneration.

Company Secretary

Company Secretary has resigned from the company. we are taking necessary steps to appoint a company secretary. The company has approached the Institute of Company Secretaries and informed about the vacancy and the same has been displayed in the institute Notice Board. Some candidate have applied and a Company Secretary will be appointed as an early date.

Auditors Report

With regard to the auditor's comment in respect of internal control and internal audit systems. Your directors initiated steps to rectify the same.

With regard to the auditor's Comment in respect of employee benefit. Your directors wish to state that due to the high volume of staff turnover, company has not made any provisions.

Acknowledgement

The Directors take this opportunity to thank our employees at all levels, Company's bankers, suppliers, consultants, shareholders, State Government, other statutory bodies for their unstinted and consistent support to the Company.

For and on behalf of the Board
CCS INFOTECH LIMITED

M.A. HASAN ABDUL KADER
Managing Director

H.RATNAKUMAR
Executive Director

Place : Chennai
Date : 03rd September, 2007