



CCS Infotech Limited

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11th

**ANNUAL REPORT
2007 - 2008**



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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. Subbiah & Co
Chartered Accountants, Chennai 600093

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: 040-3818475/76/23868023

NOTICE

Notice is hereby given that the Eleventh Annual General Meeting of the Shareholders of M.S.CCS Infotech Limited will be held at the Registered Office of the Company at Flat No-7, III Floor, 'CCS Towers', No.14, Periyar Road, T.Nagar, Chennai - 600 017, on Tuesday, the 30th day of September, 2008 at 10.00 to transact the following business:

Ordinary Business

- 1.To receive, consider, approve and adopt the Audited Balance Sheet as at 31st March 2008 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.SUBBIAH & CO, Chartered Accountants, Chennai, the retiring Auditors of the Company are eligible for reappointment and offer themselves for reappointment.

By Order of the Board
For CCS Infotech Limited

M.A.Hasan Abdul Kader

Chennai
2nd September 2008

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 29th September 2008 to 30th September 2008 (Both the days inclusive).
3. Members are hereby requested to send all correspondence concerning transfers, transmissions, subdivision, consolidation of shares or any other share related matter and/or change in address to the Company's Registrar and Share Transfer Agent, quoting their folio No./DP ID/ Client ID.
- 4.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.
5. 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 Board resolution/ Power of Attorney authorizing their representative to attend and vote at the Annual General Meeting.
- 6.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.

7. Information pursuant to Clause 49 of the Listing Agreement in respect of proposed appointment, reappointment of directors

01. Name	:	Mr.P.Ravivarma
02. Age	:	45
03. Qualifications	:	Bachelor of Arts
04. Expertis	:	Business Development, Software content production experts
05. Other Directorships	:	Nil
06. Committee Memberships	:	Member of Audit Committee, Remuneration Committee and Shareholders Grievance Committee.

DIRECTORS REPORT TO THE MEMBERS

Your Directors have great pleasure in presenting the Eleventh Annual Report together with Audited Accounts of the Company for the year ended 31st March 2008 and the Auditors' Report thereon.

FINANCIAL RESULTS:

The Standalone financial results of CCS INFOTECH LIMITED for the year ended 31st March 2008 are presented below:

Particulars	(Amount in Rs)	
	Year 2007-2008	2006-2007
Revenue	586797107.00	466184294.00
Expenditure	574273009.00	437994583.00
Profit before Dep and Tax	12524038.00	28189711.00
Depreciation	2707182.00	462640.00
Profit after dep but before Tax	9816916.00	27727071.00
- Current Tax	-2231320.00	-7401040.00
- Deferred Tax	-382917.00	80753.00
- Fringe Benefit Tax	-129520.00	-114809.00
Profit After Tax	7073159.00	20291975.00
Balance Brought Forward from previous year	59595640.00	39303665.00
Balance Carried to Balance Sheet	66668799.00	59595640.00

FIXED DEPOSITS:

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

DIVIDEND:

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

SUBSIDIARY COMPANY:

The Company continue to have one Subsidiary i.e. CCS INFOTECH SINGAPORE PTE. LIMITED. As required under section 212 of the Companies Act, 1956, the Audited Balance Sheet and Profit & 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 31st March 2008 are attached. The Statement pursuant to section 212 of the Companies Act, 1956 also forms part of the Annual Report.

As per the requirements of AS-21/23 issued by the ICAI, your Company is pleased to present herewith the Consolidate Balance Sheet, Profit & Loss Account and Cash Flow Statement of the Company and its Subsidiary.

STATUTORY STATEMENTS:

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Out go

Your Company has activities as annexed to this report relating to 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.

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 annual accounts, the applicable Accounting Standards have been followed and that no material departures have been made from the same.
- (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 the 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 CONTROL 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 Exchange 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 voluntarily delist the Company's shares from Madras and Calcutta Stock Exchanges 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.

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 reappointment.

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. Subbiah & Co, Chartered Accountants have expressed willingness to continue in office, if appointed, They have furnished 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.Subbiah & Co, Chartered Accountants as Auditors for a 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 of India and Informed about the vacancy and the same has been displayed in the Institute's Notice Board. Some candidates have applied and a Company Secretary will be appointed at an early date.

AUDITORS' REPORT:

With regard to the Auditor's comment in respect of employee benefit, Yours directors wish to state that due to the high volume of staff turnover, the Company has not made any provision for retirement benefits.

ACKNOWLEDGEMENT:

The Directors take this opportunity to thank out 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 :2nd September 2008.

CCS INFOTECH LIMITED

ANNEXURE TO THE DIRECTORS REPORT

Information Under Section 217 (1) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of Directors report as under:

A CONSERVATION OF ENERGY

Energy conservation measures taken: The Company is very careful in using the power to reduce the cost of maintenance and conserve the resources.

Additional investments and proposals, if any, being implemented for reduction of consumption of energy.

B TECHNOLOGY ABSORPTION:

FORM B

(Amount in Rupees)

(Disclosure of Particulars with respect to technology absorption)		2007-08	2006-07
i	Research and Development (R&D)	Nil	Nil
ii	Technology Absorption, Adaptation and Innovation	Nil	Nil
iii	Foreign Exchange Earnings	13,943,014.00	192,200,063.00
iv	Foreign Exchange Outgo	1,947,390.00	1,182,189.00

ANNEXURE A

TO THE ELEVENTH ANNUAL REPORT OF THE BOARD OF DIRECTORS
REPORT ON CORPORATE GOVERNANCE

1. Introduction:

CCS INFOTECH LIMITED 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 respect effective from financial year 2002-2003.

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 frame work through transparency in dealings.

BOARD OF DIRECTORS

The Board of Directors of the Company comprises of one Managing Director, one Executive Director and three Non Executive & Independent Directors. The Board members posses requisite skills, experience and expertise that are required to take decisions, which are in the best interest of the Company.

Mr.M.A.Hasan Abdul Kader is the Chairman & Managing Director of the Company. He works 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.

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 of Director	Designation	Meetings		Attendance of last AGM	No of Directorships	No of Board Committee
		Held	Attended			
M.A.HASAN ABDUL KADER	MANAGING DIRECTOR- EXECUTIVE	5	5	YES	NIL	NIL
H.RATNAKUMAR	EXECUTIVE DIRECTOR	5	5	YES	NIL	NIL
P.RAVIVARMA	DIRECTOR NON EXECUTIVE & INDEPENDENT	5	5	YES	NIL	NIL
D.MOHAMED KEYASUDEEN	DIRECTOR NON EXECUTIVE & INDEPENDENT	5	5	YES	NIL	NIL
Mrs. E. SELVARANI	DIRECTOR NON EXECUTVE & INDEPENDENT	5	5	YES	NIL	NIL

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

The requisite information as prescribed under Clause 49 of the Listing Agreement is placed before the board from time to time and is generally provided as part of the Agenda papers of the Board Meeting and / or is placed at the table during the course of the meeting.

The Board of Directors met five(5) time on 30-04-2007, 04-06-2007, 03-09-2007, 30-10-2007, 30-01-2008 and in respect of which meetings proper notices were given and the proceedings were properly recorded and signed, in the Minutes Book maintained for the purpose.

The Annual General Meeting for the financial year ended on 31-03-2007 was held on 29-09-2007 by giving due notice to the members of the Company and the resolutions passed there at were recorded in Minutes Book maintained for the purpose.

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 Eleventh Annual General Meeting to the shareholders of the Company.

COMMITTEES OF THE BOARD

AUDIT COMMITTEE:

Section 292A of the Companies Act, 1956 is applicable to the Company.

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, any related party transaction 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 policies 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.

The unaudited/audited financial results of the Company are also specifically reviewed by the Audit committee before these are submitted to the Board for approval. Minutes of each audit Committee meetings are placed before the board for information.

Composition and Attendance:

The Company has an Audit Committee of the Board consisting of three Non-Executive and Independent Directors as members as detailed below and all members have adequate financial and accounting knowledge, who met five (05) times during the year, i.e., 30-04-2007, 30-07-2007, 30-01-2008 and the details of the number of meetings held and attendance record of the members are as follows:

Name of Directors	Status & Category	No of Meetings	
		Held	Attended
E.Selvarani	Chair person - Independent Non Executive	5	5
D. Mohamed Keyasudeen	Member -Independent Non Executive	5	5
P.Ravivarma	Member -Independent Non Executive	5	5

REMUNERATION COMMITTEE:

Your Company has constituted a Remuneration Committee consisting of Mr.D.Mohamed Keyasudeen, Mr.P.Ravivarma and Mrs. E.Selvarani which decides the structure of the Executive Director's remuneration

EXECUTIVE DIRECTOR:

The Company has a Managing Director and a Whole Time Director. There was no revision to the salary of the Managing Director during the year under review. The remuneration paid to them during the period 01-04-2007 to 31-03-2008 was as under:

Name of Directors & Designation	Period	Salary	Perquisites	Total (Rs.)
M.A.HASAN ABDUL KADER- MANAGING DIRECTOR	01-04-2007 TO 31-03-2008	192,000	-	192000
H. RATNAKUMAR- EXECUTIVE DIRECTOR	01-04-2007 TO 31-03-2008	192,000	-	192000