



CCS INFOTECH LIMITED

15TH

ANNUAL REPORT 2011 - 2012

BOARD OF DIRECTORS

Mr. M.A. Hasan Abdul Kader	-	Chairman & Managing Director
Mr. H. Ratnakumar	-	Executive Director
Mr. P. Ravivarma	-	Director (Non Executive and Independent)
Mr. S.Samkumar	-	Director (Non Executive and Independent)
Mrs. E. Selvarani	-	Director (Non Executive and Independent)
Registered Office	-	Flat No-7, IIIrd Floor "CCS TOWERS" No-14, Periyar Road, T.Nagar, Chennai - 600 017.
Auditors	-	M/s. Subbiah & Co Chartered Accountants, Chennai 600 093
Bankers	-	State Bank of India Tamilnad Mercantile Bank Ltd ICICI Bank Ltd
Factory	-	"Lakshmi Home" Plot No-14 Block C, Vinoba Nagar Mariamman Koil Street Pondicherry – 605 013
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

NOTICE

NOTICE is hereby given that the FIFTEENTH Annual General Meeting of the shareholders of M/s CCS Infotech Limited will be held on Friday, the 28th day of September, 2012 at 10.00 a.m. at the Registered Office of the Company at "CCS TOWERS" N0-7, IIIrd Floor, No. 14, Periyar Road, T. Nagar, Chennai- 600017 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider, and adopt the Audited Balance Sheet as at 31st March 2012 and the Profit & Loss Statement for the year ended on that date and the reports of the Directors and Auditors thereon.
2. To appoint a Director in the place of Mr. S Samkumar, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in the place of Mr. H Ratnakumar, who retires by rotation and being eligible, offers himself for reappointment.
4. 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.

SPECIAL BUSINESS

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

"RESOLVED THAT the consent of the Company be and is hereby accorded to the Board of Directors under Section 293(1)(d) and any other applicable provisions of the Companies Act, 1956 read with Articles of the Association of the Company, to borrow money for and on behalf of the Company from time to time as deemed by it to be requisite and proper for the business of the Company, so that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) and remaining outstanding shall not exceed 100 Crores (Rupees Hundred Crores only) in excess of the paid up capital and free reserves of the Company i.e. reserves not set apart for any specific purpose, as per the latest annual audited financial statements".

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and are hereby authorised to finalise, settle and execute such documents, deeds, writings, papers, agreements as may be required and to do all acts, deeds, matters and things as may in its / his / their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating security as aforesaid or otherwise considered to be in the best interest of the Company."

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. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to special business to be transacted in the meeting is annexed hereto.
3. Documents referred in the accompanying Notice and Explanatory Statement are available for inspection at the registered office of the Company during the office hours between 11.00 a.m. and 1.00 p.m. on all working days prior to the date of the Annual General Meeting.
4. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Registered Office of the Company, a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
5. The Register of Members and Share Transfer Books of the Company shall remain closed from 26th September 2012 to 28th September 2012 (Both days Inclusive)
6. Members are hereby requested to send all correspondence 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 Agents, quoting their folio NO/DP ID/ Client ID in all correspondence.
7. 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 to keep the information ready.
8. 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.
9. 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.
10. In compliance with the "Green Initiative in Corporate Governance" as allowed by The Ministry of Corporate Affairs ("Ministry"), Government of India, vide its circular nos.17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011, the Company shall send the Notice of this Annual General Meeting and Annual Report for the financial year 2011-12, through electronic mode, to those members who have registered their e-mail address with the Company or with their respective depository participant and have opted to receive the aforesaid documents in electronic form.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore, requested to submit PAN to their Depositories participants with whom they are maintaining their demat accounts. Member

holding shares in physical form can submit their PAN details to the Company/ Registrar and Transfer Agents M/s. Venture Capital & Corporate Investment Limited

12. Information pursuant to clause 49 of the listing agreement in respect of proposed appointment/ re-appointment of directors

01	Name	Mr. S.Samkumar
A	Date of Birth	20-04-1965
B	Qualifications	PG Diploma in Management
C	Expertise	15 Years
D	Other Directorships Name of the Company	Director, RK Infocare Private Limited
E	Committee Memberships, if any, with position	Chairman, Share Transfer & Investor Grievance Committee Member, Audit Committee & Remuneration Committee

02	Name	Mr. H.Ratnakumar
A	Date of Birth	04-06-1967
B	Qualifications	B.Tech
C	Expertise	20 Years
D	Other Directorships Name of the Company	Director, Right Choice Ventures (India) Ltd
E	Committee Memberships, if any, with position	Nil

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(1)

Item No 5

Presently the Board of Directors of the Company has been authorized to borrow upto limit of paid up capital and free reserves. Since the Company has plans and is going for the implementation of the various expansion projects and considering increase in operations, it is envisaged that the Company may need to borrow the amount which may exceed the above said limit. It is, therefore, proposed to increase the borrowing power of the Company upto 100 crores (Rupees Hundred crores only). Under Section 293(1) (d) of the Companies Act, 1956 for borrowings of more than paid up capital and free reserves, the approval of shareholders is required. Hence, the Board recommends the resolution for your approval.

None of Directors is personally interested in the resolution

**By Order of the Board
For CCS INFOTECH LIMITED**

M.A. Hasan Abdul Kader
Managing Director

Place : Chennai
Dated :

DIRECTORS' REPORT TO THE MEMBERS

Your Directors have great pleasure in presenting the Fifteenth Annual Report together with Audited Accounts of the Company for the year ended 31st March 2012 and the Auditors' Report thereon.

FINANCIAL RESULTS

The stand-alone financial results of CCS Infotech Limited for the year ended March 31, 2012 are presented below:-

(Amount In LACS)

Particulars	2011-12	2010-2011
Revenue	10161.14	8209.34
Expenditure	9976.54	8013.14
Profit before Tax & Depreciation	184.87	196.20
Depreciation	60.35	80.39
Profit after Depreciation but before tax	124.52	115.81
Current Tax	43.38	20.88
Deferred Tax	2.83	-11.83
Profit After Tax	78.30	106.76
Balance Brought from Previous Year	934.70	827.94
Balance carried to Balance sheet	1013.00	934.70

Your Company has made a turnover of Rs.10161.14 Lacs as compared to Rs.8209.34 Lacs of previous year and has made a profit of Rs.78.30 Lacs compared to Rs.106.76 lacs previous year.

BUSINESS OUTLOOK

Your Company is the India's leading Information Technology Solutions provider. CCS had wide range of expertise including Hardware Solutions, Software Development and Networking Services. We are manufacturers, exporters and suppliers of Computers from India.

Your Company presently has the following divisions:

1. Manufacturing – Your manufacturing Plant is situated at Puducherry and has got ISO 9001:2008 and ISO 14001:2004 certifications
2. System Integration – Your Company has partnered with leading IT hardware Companies and has bagged many end to end System Integration orders.
3. Infologics – IT Distribution – Your Company is distributing leading MNC PC brands and MNC power conditioning products presently. New products will be added soon.
4. Services – AMC/FMS – Your Company is providing AMC/FMS to leading companies in different business verticals.
5. Projects and Solutions under BOLT/BOOM – Your Company is presently executing BOLT projects for Public Sector Undertakings and working to achieve 100% growth year on year in this segment.
6. E-Governance – Your Company is presently doing citizen services in Andhra Pradesh and working to get new orders.

Our clientele strength has been the key success to our growth. We have a long-term association with all our clients and most of the new clients are referred by our existing clients. The company designs, develops, manufactures, markets, sells, and supports mobility products, including laptops, net books, tablets, smart phones, desktop PCs, servers and networking products.

FIXED DEPOSITS

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

DIVIDEND

In order to conserve the liquid resources and enhance shareholders value, your directors have not recommended any dividend during the year under report.

SUBSIDIARY COMPANIES

The Company continue to have one Subsidiary i.e., CCS INFOTECH SINGAPORE PTE. LIMITED. As per Section 212 of the Companies Act, 1956, the audited Balance Sheet and Profit & Loss statement along with the respective reports of the Board of Directors and the Auditor's thereon of the Subsidiary Company for the year ended March 2012 are attached. The Statement pursuant to section 212 of the Companies Act, 1956 also forms part of annual report.

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

INSURANCE

All insurable interests of the Company including buildings, furniture and fixtures and other insurable interest are adequately insured.

STATUTORY STATEMENTS

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Your Company has activities as detailed below relating to conservation of energy and technological absorption as required to be disclosed 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.

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 – Nil

B. Technology Absorption and Foreign Exchange earnings & out go

	(Disclosure of Particulars with respect to technology absorption to the extent applicable)	2011-12	2010-11
i.	Research & Development (R&D)	NIL	NIL
ii.	Technology Absorption, Adaptation and Innovation	NIL	NIL
iii.	Foreign Exchange Earnings	NIL	1167.73
iv.	Foreign Exchange Outgo	NIL	NIL

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 have been followed and no material departure has 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/loss 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.

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.

The Board of Directors wishes to express its appreciation to all the employees of the Company for their outstanding contribution to the operation of Company during the year.

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 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 de-list 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 AND OFFICERS OF THE COMPANY

In compliance with the provisions of the Companies Act, 1956 in accordance with the Company's Articles of Association, Mr. S Samkumar and Mr. H Ratnakumar, retire at this Annual General Meeting and being eligible, offer themselves for re-appointment.

The Company has approached the Institute of Company Secretary 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.

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 AND AUDITORS REPORT

The retiring auditors, M/s. M.S. Subbiah & 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.M.S. Subbiah & Co., Chartered Accountants as Auditors for a further period of one year and to fix their remuneration.

ACKNOWLEDGEMENT

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

**For and on behalf of the Board of Directors of
CCS INFOTECH LIMITED**

M.A.Hasan Abdul Kader
Managing Director

H.Ratnakumar
Executive Director

Place : Chennai
Date :

ANNEXURE – ‘A’ TO THE FIFTEENTH 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 aspects 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 possess requisite skills, experience and expertise required to take decisions, which are in the best interest of the Company.

Mr. M.A. Hasan Abdul Kader, is the 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 the 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 and Category	No. of Board Meetings in the Year		Attendance of Last AGM	Number of Directorships held in the Indian Companies	Number of Board Committee memberships held in other companies
		Held	Attended			
Mr. M.A.Hasan Abdul Kader	Managing Director	06	06	Yes	1	Nil
Mr. H. Ratnakumar	Executive Director	06	06	Yes	1	Nil
Mr. P Ravivarma	Director Non -Executive & Independent	06	06	Yes	Nil	Nil
Mr.S. Sam Kumar	Director Non- Executive & Independent	06	06	Yes	1	Nil
Mrs. E. Selvarani	Director Non-Executive Independent	06	06	Yes	Nil	Nil