

17<sup>TH</sup>

**ANNUAL REPORT**  
**2013 – 2014**



**CCS INFOTECH LIMITED**

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

Tel : +91 44 28341121,

Fax: +91 44 28340784

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**BOARD OF DIRECTORS**

|                           |   |                                                        |
|---------------------------|---|--------------------------------------------------------|
| Mr. M.A.Hasan Abdul Kader | - | Chairman & Managing Director (Till May 2014) *         |
| Mr. H.Ratnakumar          | - | Executive Director (Till May 2014)                     |
| Mr. P.Ravivarma           | - | Director                                               |
| Mr.S.Samkumar             | - | Director (Non Executive and Independent Till May 2014) |
| Mrs.E.Selvarani           | - | Director (Non Executive and Independent Till May 2014) |
| Mr.Hari Janardhanan       | - | Director – Finance (Till March 2014)                   |
| Mr.H.ArunKumar            | - | Additional Director (w.e.f. May 2014)                  |
| Mr.Raman Subramani        | - | Additional Director (w.e.f.June 2014)                  |
| Mr.Vinoth                 | - | Additional Director (w.e.f June 2014)                  |
| Mr.Thiru Murugan          | - | Additional Director (w.e.f.July 2014)                  |

**Registered Office**

- Flat No-7, IIIrd Floor  
"CCS TOWERS"  
No-14, Periyar Road,  
T.Nagar, Chennai - 600 017.

**Auditors**

- Mr.NM.Ilangumaran  
Chartered Accountants, Chennai 600 017.

**Bankers**

- State Bank of India  
ICICI Bank

**Factory**

- "Lakshmi Home" Plot No-14  
Block C, Vinoba Nagar  
MariammanKoil 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 SEVENTEENTH Annual General Meeting of the shareholders of M/s CCS Infotech Limited will be held on Tuesday, the 30<sup>th</sup> day of September, 2014 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 31<sup>st</sup> March 2014 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.P.Ravi Varma, who retires by rotation and being eligible, offers him for reappointment.
3. To appoint a Director in the place of Mr. H.Arun Kumar, who retires by rotation and being eligible, offers him for reappointment.
4. To appoint a Director in the place of Mr.Raman Subramani, who retires by rotation and being eligible, offers him for reappointment
5. To appoint Statutory Auditors and fix their remuneration. Mr.NM.ILANGUMARAN & Co, Chartered Accountants, Chennai, the retiring Auditors of the Company are eligible for reappointment and offers themselves for reappointment.

### SPECIAL BUSINESS

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 180(1)(c) and any other applicable provisions of the Companies Act, 2013 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 authorized to finalize, 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 102 of the Companies Act, 2013 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 25<sup>th</sup> September 2014 to 27<sup>th</sup> September 2014 (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 72 of the Companies Act, 2013, 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 2013-14, 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.Ravi varma |
| A  | Date of Birth                                      | 20-07-1963    |
| B  | Qualifications                                     | B.A           |
| C  | Expertise                                          | 25 years      |
| D  | Other Directorships<br>Name of the Company         | Nil           |
| E  | Committee<br>Memberships, if any,<br>with position | Nil           |

|    |                                                    |                              |
|----|----------------------------------------------------|------------------------------|
| 02 | Name                                               | Mr.H.Arun Kumar              |
| A  | Date of Birth                                      | 22-10-1972                   |
| B  | Qualifications                                     | Diploma                      |
| C  | Expertise                                          | 20 years                     |
| D  | Other Directorships<br>Name of the Company         | Aeronet technologies Pvt Ltd |
| E  | Committee<br>Memberships, if any,<br>with position | Nil                          |

|    |                                                    |                    |
|----|----------------------------------------------------|--------------------|
| 03 | Name                                               | Mr.Raman Subramani |
| A  | Date of Birth                                      | 25/05/1988         |
| B  | Qualifications                                     | B.A                |
| C  | Expertise                                          | 6 years            |
| D  | Other Directorships<br>Name of the Company         | Nil                |
| E  | Committee<br>Memberships, if any,<br>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 up to the 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 Two Hundred crores only). Under Section 180(1) (c) of the Companies Act, 2013 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**

**Director**

Place :Chennai  
Dated :05.09.2014

### DIRECTORS' REPORT TO THE MEMBERS

Your Directors have great pleasure in presenting the Seventeenth Annual Report together with Audited Accounts of the Company for the year ended 31<sup>st</sup> March 2014 and the Auditors' Report thereon.

#### **FINANCIAL RESULTS**

The stand-alone financial results of CCS Infotech Limited for the year ended March 31, 2014 are presented below:-

(Amount In Lakhs)

| Particulars                              | 2013-14 | 2012-13 |
|------------------------------------------|---------|---------|
| Revenue                                  | 6807.30 | 4378.93 |
| Expenditure                              | 6771.32 | 4285.61 |
| Profit before Tax & Depreciation         | 35.98   | 93.31   |
| Depreciation                             | 31.38   | 82.66   |
| Profit after Depreciation but before tax | 4.60    | 10.65   |
| Current Tax                              | 4.98    | 9.03    |
| Deferred Tax                             | 3.25    | 0.00    |
| Profit After Tax                         | 2.88    | 1.62    |
| Reserves & Surpluses                     | 987.64  | 1002.23 |

Your Company has made a turnover of Rs.6807.30 Lakhs as compared to Rs. 4378.93 Lakhs of previous year and has made a profit of Rs.2.88Lakhs compared to Rs.1.62Lakhs previous year.

#### **BUSINESS OUTLOOK**

Your Company is among India's leading Information Technology Solutions provider having a wide range of expertise in Systems Integration and e-Governance including Hardware Solutions, Software Development and Networking Services and into manufacture of computers.

Your Company presently has the following divisions:

1. System Integration – Your Company has partnered with leading IT hardware Companies and has bagged many System Integration projects.
2. Services – AMC/FMS – Your Company is providing AMC/FMS to leading companies in different business verticals.
3. Supply Contracts under BOLT/BOOM – Your Company is presently executing supply contracts under BOLT / BOOM structures for Public Sector Undertakings and working to achieve a healthy growth in this segment.
4. E-Governance – Your Company is continuing its services in the E Governance sector and doing citizen services in Andhra Pradesh and working towards getting new orders.
5. Networking – Your Company has partnered with leading manufacturers of networking equipments and presently executing networking projects.
6. Telecom Infrastructure – Your Company has started a division of executing Civil & Electrical work related to Telecom infrastructure.
7. Manufacturing – Your manufacturing Plant is situated at Puducherry and is having ISO 9001:2008 certification.



Our clientele strength has been the key success to our growth. We have a long-term association with all our clients and many referral clients are added to clientele year on year.

### **FIXED DEPOSITS**

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

### **DIVIDEND**

With a view to preserve the liquid resources and enhance shareholders value, your directors have not recommended any dividend during the year under report.

### **SUBSIDIARY COMPANIES**

The Company continues 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 2014 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 assets, 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) | 2013-14 | 2012-13 |
|-----|--------------------------------------------------------------------------------------------|---------|---------|
| i.  | Research & Development (R&D)                                                               | NIL     | NIL     |
| ii. | Technology Absorption, Adaptation                                                          | NIL     | NIL     |



|      |                           |     |     |
|------|---------------------------|-----|-----|
|      | and Innovation            |     |     |
| iii. | Foreign Exchange Earnings | NIL | NIL |
| iv.  | Foreign Exchange Outflow  | 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 27<sup>th</sup> 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, 2013 in accordance with the Company's Articles of Association, Mr. RAVI VARMA, Mr. H Arun kumar and Mr. Raman Subramani retire by rotation and being eligible, have offered themselves for re-appointment at the ensuing Annual General Meeting.

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.

## AUDIT AND AUDITORS REPORT

The retiring auditors, Mr. NM. Ilangumaran., 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 141 of the Companies Act, 2013. The Audit Committee and the Board of Directors recommend the re-appointment of Mr. NM. Ilangumaran., 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

Director

Place : Chennai  
Date : 13.05.2014