


CMS **INFOTECH** **LIMITED**

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CMS INFOTECH LTD.


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Seventeenth
ANNUAL REPORT 2007 - 2008

CMS INFOTECH LIMITED

Seventeenth Annual Report 2007 - 2008

BOARD OF DIRECTORS

SHRI NIRAJ PRAKASH KHETAN, *Managing Director*
SHRI SANDEEP DEY
SHRI SUBRAT KUMAR ACHARYA
SHRI THAKUR PRASAD

SECRETARY

SHRI NAWIN LAHOTY

AUDITORS

V. LOHIA & CO.
Chartered Accountants

BANKERS

CANARA BANK
HDFC BANK

REGISTRARS & SHARE TRANSFER AGENTS

MAHESHWARI DATAMATICS PVT. LTD.
6, MANGOE LANE, KOLKATA - 700 001
PHONE : (033) 2243-5029 / 5809
FAX : (033) 2248-4787
WEBSITE : www.cmsinfotech.com

REGISTERED OFFICE

10, PRINCEP STREET
2ND FLOOR
KOLKATA - 700 072
PHONE : 3292-4393

CMS INFOTECH LIMITED

NOTICE

NOTICE is hereby given that the 17th Annual General Meeting of the Members of CMS Infotech Limited will be held at "Somani Conference Hall", Merchants' Chamber of Commerce, 15B, Hemanta Basu Sarani, Kolkata 700 001 on Tuesday, 23rd September, 2008 at 12.30 p.m. to transact the following businesses :-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2008 and Profit & Loss Account for the year ended on that date together with the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Sri Thakur Prasad, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. V. Lohia & Co., Chartered Accountants, the retiring Auditors of the Company, as Auditors, who shall hold office from the conclusion of this Annual General Meeting, until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

**Registered Office :**

10, Princep Street
2nd Floor
Kolkata - 700 072

Dated : 25th June, 2008

By order of the Board of Directors

For CMS Infotech Limited

Nawin Lahoty

Company Secretary

NOTES :

1. A Member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a Member of the Company. Proxies, in order to be effective, must be received at the Registered Office of the Company at 10, Princep Street, 2nd Floor, Kolkata 700 072, not less than forty-eight hours before the commencement of the Annual General Meeting.
2. Members/proxies should bring duly filled Attendance Slips along with copy of the Annual Report & Accounts to the Annual General Meeting.

CMS INFOTECH LIMITED

3. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 18th September, 2008 to Tuesday, 23rd September, 2008 (both days inclusive).
4. The Register of Directors Shareholding maintained under Section 307 of the Companies Act, 1956 will be available for inspection by the members at the Annual General Meeting.
5. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the Special Business to be transacted at the meeting is annexed hereto.
6. Members are requested to notify immediately any change in their addresses to the Registrar and Share Transfer Agent, Maheshwari Datamatics Private Limited of 6, Mangoe Lane, 2nd Floor, Kolkata 700 001.
7. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.
8. Additional information to be provided under Clause 49 of the Listing Agreement pertaining to the Directors being appointed/re-appointed, Members are requested to kindly refer Para 2 of the Report on Corporate Governance forming part of this Annual Report.



CMS INFOTECH LIMITED**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting the 17th Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2008.

1. FINANCIAL HIGHLIGHTS

The working results of the Company for the year under review are given below :

Particulars	(Rs.) Year ended 31.03.2008	(Rs.) Year ended 31.03.2007
Profit/(Loss) before Taxation	248,359.81	1,135,455.55
Less : Provision for Tax - Current	29,274.00	188,620.00
- Deferred	1,245,642.00	387,401.00
Profit/(Loss) after Taxation	(1,026,556.19)	559,434.55
Balance brought forward from previous year	(8,631,212.69)	(9,066,828.24)
Transfer to Reserve Fund	Nil	123,819.00
Balance carried to Balance Sheet	(9,657,768.88)	(8,631,212.69)

2. DIVIDEND

Considering the brought forward losses and to conserve the resources of the Company for future expansion, the Board have decided not to recommend any dividend for the year under review.

3. PERFORMANCE REVIEW

The performance of the Company has suffered due to turmoil of the stock market and consequent erosion in valuation of shares held by Company during the year. However your Directors are making all efforts to improve the performance of the Company in the current year by taking opportunity from the stabilising market.

4. FIXED DEPOSITS

During the year under review, your Company has not accepted any deposits within the meaning of Section 58A of the Companies Act, 1956 and the Rules made there under.

5. DIRECTORS

As per the provisions of the Article of Association of the Company, Mr. Thakur Prasad, retire by rotation and being eligible offers himself for re-appointment at this Annual General Meeting. The Board recommends his re-appointment for consideration of the shareholders.

6. DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors Responsibility Statement, it is hereby confirmed:

- a. That in the preparation of the accounts for the financial year ended 31st March, 2008, the applicable accounting standards have been followed along with the proper explanation relating to material departures;
- b. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 the year under review;
- c. That the Directors have taken proper and sufficient care 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. That the Directors have prepared the annual accounts for the financial year ended 31st March, 2008 on a going concern basis.

7. AUDITORS' REPORT

There are no items on which Auditors have commented which need further explanation from the Board of Directors.

8. AUDITORS

Messrs. V. Lohia & Co., Chartered Accountants, Auditors of the Company, who retire at the conclusion of the forthcoming Annual General Meeting, have consented to continue in office, if appointed. They have confirmed that their appointment, if made, will be in accordance with the limits specified in Section 224(1B) of the Companies Act, 1956.

9. EMPLOYEES

None of the employees were in receipt of remuneration in excess of the limits specified under Section 217(2A) of the Companies Act, 1956 read along with Companies (Particulars of Employees) Rules, 1975.

10. STATUTORY INFORMATION

The Company being basically in the financial sector, requirement regarding the disclosure of particulars of conservation of energy and technology absorption prescribed by the rules is not applicable.

11. FOREIGN EXCHANGE

The Company had no foreign exchange inflow or outflow during the year under review.

12. CORPORATE GOVERNANCE

As per the Listing Agreement with the Stock Exchange, the Company has implemented the Code on Corporate Governance. The Corporate Governance compliance certificate obtained from the Auditors of the Company is attached to this report.

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The Management Discussion and Analysis Report and the Report on Corporate Governance are given in the annexure attached to this report. The Code of Conduct is available on the Company's website www.cmsinfotech.com. The Board members and Senior management personnel have confirmed compliance with the said code.

13. EMPLOYER EMPLOYEE RELATIONSHIP

The Company has maintained a cordial relationship with its employees, which resulted in smooth flow of business operations during the year under review.

14. ACKNOWLEDGEMENTS

Your Directors acknowledge the support and owe a debt of gratitude to the Shareholders, Investors & Bankers. Your Directors are also thankful to its clients for their continued faith and support reposed in them. Last but not the least, your Directors' place on record their sense of appreciation of the valuable contribution made by the employees of the Company.

**Registered Office :**

10, Princep Street

2nd Floor

Kolkata - 700 072

Dated : 25th June, 2008

By order of the Board of Directors

For CMS Infotech Limited**Niraj Prakash Khetan**
*Managing Director***Sandeep Dey**
Director

CMS INFOTECH LIMITED**REPORT ON CORPORATE GOVERNANCE**

The detailed report on Corporate Governance as per the guidelines prescribed by SEBI and incorporated in Clause 49 of the Listing Agreement is as follows :-

Para 1. CORPORATE GOVERNANCE PHILOSOPHY

Effective Corporate Governance is how an organisation is managed, which includes its culture, structure, policies and manner in which it deals with its stakeholders and not just mere compliance. It also relates to processes and systems that directs the resources of the organization and strategies of the management for maximizing the wealth of the stakeholders. Your Company firmly believes that such practices are founded upon the core values of transparency, accountability, independence, responsibility and fairness.

Your Company makes best endeavours to implement these core values in all facets of its operations. The Company continues to follow procedures and practices in conformity with the Code of Corporate Governance enshrined in the Listing Agreement.

Para 2. BOARD OF DIRECTORS**(I) Composition of the Board :**

The Composition of the Board of Directors of the Company consists of qualified executive and non- executive Directors. The Board comprises of persons who have excelled in their respective areas and have good standing.

The composition of the Board of Directors as on 31st March, 2008 is given below :

Sr. No.	Name of Director	Executive/ Non-Executive	No. of other		
			Directorships(+)	Committee(++)	
				Chairman	Member
1	Shri Niraj Prakash Khetan - Managing Director	Executive	2	—	—
2	Shri Sandeep Dey	Non-Executive & Independent	5	—	—
3	Shri Subrat Kumar Acharya	Non-Executive & Independent	—	—	—
4	Shri Thakur Prasad	Non-Executive & Independent	—	—	—

(+) Excluding directorship held in private limited/foreign companies and companies incorporated under Section 25 of the Companies Act, 1956.

(++) Represents chairmanship/membership of the Audit Committee and Shareholder's/ Investors' Grievance Committee of other companies, in which they are director.

(ii) The attendance of the Directors at the Board meetings and the last AGM held are given below :

Name of the Director	No. of Meetings		Attendance at last AGM - held on 20th September, 2007
	Held	Attended	
Shri Niraj Prakash Khetan - M.D.	7	7	Yes
Shri Sandeep Dey	7	7	Yes
Shri Subrat Kumar Acharya	7	7	No
Shri Thakur Prasad	7	7	No

CMS INFOTECH LIMITED**Particulars of the Directors to be appointed/re-appointed at the ensuing Annual General Meeting pursuant to revised Clause 49 of the Listing Agreement :**

Name of the Director	Shri Thakur Prasad
Date of Birth	12th July, 1934
Date of Appointment	26th December, 2005
Qualification	Chartered Accountant
Expertise in specific functional area	Shri Prasad is having wide experience in Corporate Accounts and Finance matters.
Directorship of other Companies (*)	Nil
Chairman/Membership in the Committees	Chairman-Audit Committee/ Member - Share Transfer and Investor Grievance Committee
Shareholding in Equity Shares of the Company and % of holding	Nil

(*) Excludes directorships in private limited companies and organisations other than public limited companies.

(iii) Directors' membership in board/committees of other companies :

In terms of the Listing Agreement, none of the Directors of your Company were Members in more than 10 (ten) committees nor acted as Chairman of more than 5 (five) committees across all companies in which they were Directors. Details of other directorships/committee membership/chairmanship held by them are given in Para 2(i) above.

(iv) Number of Board meetings held, dates on which held :

As per the Listing Agreement, the Board of Directors must meet at least four times a year, with a maximum gap of four months between any two meetings.

During the financial year 2007-08, Board met 7 (seven) times on 30.04.2007, 10.05.2007, 18.05.2007, 29.06.2007, 27.07.2007, 27.10.2007 and 28.01.2008. The gap between any two Board Meetings did not exceed four months.

Para 3. AUDIT COMMITTEE**(i) Brief description of the terms of reference:**

The terms of reference of the Audit Committee cover the matters specified under revised Clause 49 of the Listing Agreement with Stock Exchanges read with Section 292A of the Companies Act, 1956.

The Audit Committee reviews, acts and reports to the Board of Directors with respect to :

1. the appointment of statutory auditors of the Company,
2. provide Board with additional assurance as to reliability of financial information and statutory financial statements and as to the adequacy of internal accounting and control systems,
3. it acts as a link between the management, statutory auditors and the Board of Directors,
4. Company's compliance with the statutory requirements.

CMS INFOTECH LIMITED**(ii) Composition and name of members :**

The Audit Committee, presently, consists of (3) three Independent Members. The following directors are the present Members of the Committee :

Name of the Members	Designation	Nature of Membership
Shri Thakur Prasad	Chairman	Independent & Non-Executive
Shri Subrat Kumar Acharya	Member	Independent & Non-Executive
Shri Sandeep Dey	Member	Independent & Non-Executive

All the Members of the Audit Committee are financially literate and Shri Thakur Prasad, Chairman possesses financial /accounting expertise. Shri Nawin Lahoty, Company Secretary also acts as the Secretary to the Audit Committee.

(iii) Meetings held and attendance during the year :

During the financial year 2007-08, the Audit Committee met 5 (five) times on 30.04.2007, 29.06.2007, 27.07.2007, 27.10.2007 and 28.01.2008.

Sr. No.	Members of Audit Committee	No. of meetings held	No. of meetings attended
1	Shri Thakur Prasad - Chairman	5	5
2	Shri Sandeep Dey	5	5
3	Shri Subrat Kumar Acharya	5	5

Para 4. REMUNERATION COMMITTEE**Details of sitting fees, remuneration etc. paid to Directors :**

Sitting fees of Rs. 6750.00 have been paid to the directors except the managing director during the year.

However, Rs. 1,43,831.00 has been paid to Shri Neeraj Prakash Khetan, Managing Director of the Company at different time pursuant to the agreement with the company whose appointment and remuneration has been fixed by the Board and also in terms of resolution passed by the shareholders of the Company.

In view of this, no Remuneration Committee has been constituted.

Para 5. SHARE TRANSFER AND INVESTORS' GRIEVANCE COMMITTEE**Brief description of the terms of reference:**

The Share Transfer & Investors' Grievance Committee administers the following :

- Transfer of shares
- Transmission of shares
- Issuance of duplicate share certificates as and when required
- Shareholders' queries / complaints and its redressal as and when received
- Dematerialisation / Rematerialisation of shares
- Split / consolidation of shares
- Such other matters resulting from statutory amendments / modifications from time to time.