



CCS INFOTECH LIMITED

13TH

**ANNUAL REPORT
2009 - 2010**

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Mr. M.A. Hasan Abdul Kader	-	Chairman and Managing Director
Mr. H. Ratnakumar	-	Executive Director
Mr. P. Ravivarma	-	Director (Non Executive and Independent)
Mr. S.Sam kumar	-	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 - 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 THIRTEENTH Annual General Meeting of the shareholders of M/s CCS Infotech Limited will be held on Thursday, the 30th day of September, 2010 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 2010 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 the place of Mr.M.A.Hasan Abdul Kader, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in the place of Mr.Ravivarma, 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 offers themselves for reappointment.

SPECIAL BUSINESS

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

"RESOLVED THAT Mr.Sam Kumar Srinivasan, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956 at the meeting of Board of Directors held on 30th September 2009 and who vacates his office at the conclusion of this Annual General Meeting be and is hereby appointed as Director of the Company liable to retire by rotation".

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

"RESOLVED THAT pursuant to section 198,269,309,311 and all other applicable provisions of the Companies Act 1956, read with Schedule XIII of the Companies Act 1956 the Company hereby approves the re-appointment of Mr. H. Ratnakumar, as the Executive Director of the company for a further period of 5 (Five) years w.e.f 1st January 2010, on the following terms and conditions.

A. Salary: Rs.100,000/- (Rupees One Lakh Only) per month with authority to the Board of Directors to grant suitable increments from time to time.

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

(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.

(ii) Medical Re-imburement

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 service, subject to the condition 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.

C. Overall Remuneration

The aggregate of salary, allowances, perquisites and performance bonus in any one financial year and performance bonus in any financial year shall not exceed the limits prescribed under section 198, 309, and other applicable provisions of the Companies Act, 1956 read with schedule XIII to the said Act or any modifications or re-enactment for the time being in force.

D. Minimum Remuneration

In the event of the Company incurring a loss or having inadequate profits in any financial year during the currency of tenure of service of Mr. H. Ratnakumar the payment of salary, performance bonus, perquisites and other allowances shall be governed by the limits prescribed under Section II of Part II of Schedule XIII to the Act, as may be in force from time to time.

RESLOVED FURTHER THAT during the tenure as the Executive Director Mr. H. Ratnakumar shall be entitled to be paid / reimbursed by the Company all costs, charges, and expenses as may be incurred by him for the purpose of or on behalf of the Company

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

“RESOLVED THAT pursuant to section 198,269,309,311 and all other applicable provisions of the companies Act 1956, read with Schedule XIII of the Companies Act 1956 the Company hereby approves the revision of terms of remuneration of Mr.M.A.Hasan Abdul Kader, Managing Director of the company, for the remainder of his term on the following terms and conditions.

A. Salary: Rs.100,000/- (Rupees One Lakh Only) per month with authority to the Board of Directors to grant suitable increments from time to time.

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

(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-imbusement

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 service, subject to the condition 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 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.

C. Overall Remuneration

The aggregate of salary, allowances, perquisites and performance bonus in any one financial year and performance bonus in any financial year shall not exceed the limits prescribed under section 198, 309, and other applicable provisions of the Companies Act, 1956 read with schedule XIII to the said Act or any modifications or re-enactment for the time being in force.

D. Minimum Remuneration

In the event of the Company incurring a loss or having inadequate profits in any financial year during the currency of tenure of service of Mr.M.A.Hasan Abdul Kader the payment of salary, performance bonus, perquisites and other allowances shall be governed by the limits prescribed under Section II of Part II of Schedule XIII to the Act, as may be in force from time to time.

RESLOVED FURTHER THAT as the Managing Director Mr.M.A.Hasan Abdul Kader, shall be liable to retire by rotation under section 255 of the Companies Act, 1956, however, if re-appointed as a director immediately on retirement by rotation, he shall continue to hold office in Managing Director and such re-appointment as Director shall not be deemed to constitute a break in his appointment as the Managing Director.

RESLOVED FURTHER THAT during the tenure as the Managing Director Mr.M.A.Hasan Abdul Kader shall be entitled to be paid / reimbursed by the Company all costs, charges, and expenses as may be incurred by him for the purpose of or on behalf of the Company

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

**M.A. HASAN ABDUL KADER
Managing Director**

Chennai
04th September, 2010

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. The Register of Members and Share Transfer Books of the Company shall remain closed from 28th September, 2010 to 30th September, 2010 (Both days Inclusive)
4. 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.
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 to 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.Sam Kumar Srinivasan
A	Date of Birth	20-04-1965
B	Date of Appointment	25-12-2000
C	Qualifications	PG DIPLOMA IN MANAGEMENT
D	Expertise	15 Years
E	Other Directorships Name of the Company	Nil
F	Committee Memberships, if any, with position	Member of the Audit, Remuneration and Shareholders grievance committees

02	Name	Mr. H. Ratnakumar
A	Date of Birth	04-06-1967
B	Date of Appointment	25-12-2000
C	Qualifications	B.Tech
D	Expertise	20 Years
E	Other Directorships Name of the Company	Nil
F	Committee Memberships, if any, with position	Nil

03	Name	Mr.P.Ravivarma
A	Date of Birth	20-07-1963
B	Qualifications	B.A
C	Expertise	Business development, Software content production
D	Other Directorships Name of the Company	Nil
E	Committee Memberships, if any, with position	Member of the Audit, Remuneration and Shareholders grievance committees

04	Name	Mr.M.A. HASAN ABDUL KADER
A	Date of Birth	05-04-1967
B	Qualifications	B.Tech
C	Expertise	20 Years
D	Other Directorships Name of the Company	Nil
E	Committee Memberships, if any, with position	Nil

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(1)

Item No.5

The Board of Directors at their meeting held on 30th September, 2009 had appointed Mr.Sam Kumar Srinivasan, as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956, and Article 106A of the Articles of Association of the Company to hold office as such till the conclusion of the ensuing Annual General Meeting.

The Company has received a notice in writing along with a deposit of Rs. 500/- from a member as required under section 257 of the Companies Act, 1956 signifying his intention to propose the appointment Mr.Sam Kumar Srinivasan as a Director of the Company.

The Board of Directors recommend the resolution as set out in item No.5 of the notice convening annual general meeting for approval of the shareholders.

Except Mr.Sam Kumar Srinivasan, being the appointee, no other directors is in any way concerned or interested in the aforesaid resolution.

Item No.6

Mr.H. Ratnakumar is the Executive Director of the Company. His tenure expires on 31.12.2009. The Board of Directors (based on the recommendation of the Remuneration Committees) at its meeting held on 21st December 2009 have approved the re-appointment and remuneration including perquisites of Mr.H.Ratnakumar as Executive Director for a period of five (05) years with effect from 1st January, 2010 which have been enumerated in the resolution at item no.6 of this notice. The said remuneration and perquisites are in consonance with the provisions of the Companies Act, 1956. His appointment is subject to the approval of the members at the ensuing General meeting. Mr. H. Ratnakumar is a technocrat, Further, Mr. H. Ratnakumar is having over two decades of rich experience particularly in IT Field and the Company has shown significant progress in terms of business growth, operations and profitability during his tenure.

The Explanatory Statement together with the accompanying notice should be treated as an abstract of terms and conditions of his appointment and memorandum of concern or interest under Section 302 of the Companies Act, 1956.

The appointment and payment of remuneration is in conformity with the schedule XIII of the Companies Act, 1956 and the revised terms of appointment and remuneration of Mr.H.Ratnakumar specified in the resolution are now placed before the members for their approval. The Board recommends passing of the Ordinary Resolution at Item No.6 of the Notice.

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

Item No.7

Mr.M.A.Hasan Abdul Kader is the Managing Director of the Company. The Board of Directors (based on the recommendation of the Remuneration Committees) at its meeting held on 02nd day of September 2009 have recommended to the Shareholders revision of terms of remuneration including perquisites of Mr.M.A.Hasan Abdul Kader, Managing Director for the remainder of his term which expires on 24.09. 2011 which have been enumerated in the resolution at item no.7 of this notice. The said remuneration and perquisites are in consonance with the provisions of the Companies Act, 1956. Revision of remuneration is subject to the approval of the members at the ensuing General meeting.

The Explanatory Statement together with the accompanying notice should be treated as an abstract of terms and conditions of his appointment and memorandum of concern or interest under Section 302 of the Companies Act, 1956.

The revision of remuneration is in conformity with the Schedule XIII of the Companies Act, 1956 and the revised terms of remuneration of Mr.M.A.Hasan Abdul Kader specified in the resolution are now placed before the members for their approval.

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

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

**M.A. HASAN ABDUL KADER
Managing Director**

Chennai
04th September, 2010

DIRECTORS' REPORT TO THE MEMBERS

Your Directors have great pleasure in presenting the Thirteenth Annual Report together with Audited Accounts of the Company for the year ended 31st March 2010 and the Auditors' report thereon.

FINANCIAL RESULTS

The stand-alone financial results of CCS Infotech Limited for the year ended March 31, 2010 are presented below:-

(Amount In LACS)

Particulars	2009-2010	2008-2009
Revenue	6834.44	6967.34
Expenditure	6708.18	6836.12
Profit before Tax & Depreciation	126.26	131.22
Depreciation	30.07	22.84
Profit after Depreciation but before tax	96.19	108.38
Current Tax	15.71	26.47
Deferred Tax	1.10	0.40
Fringe Benefit Tax		1.84
Profit After Tax	81.58	79.67
Balance Brought from Previous Year	746.36	666.69
Balance carried to Balance sheet	827.94	746.36

Your Company has made a turnover of Rs.6834.44 Lacs as compared to Rs. 6967.34 Lacs of previous year and has made a profit of Rs. 81.58 Lacs compared to Rs. 79.67 lacs previous year.

BUSINESS OUTLOOK

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 pwer 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. CCS Zone – Retail- Your Company has multi brand retail stores to cater to consumer segment which is fast growing.
6. 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.
7. E-Governance – Your Company is presently doing citizen services in Andhra Pradesh and working to get new orders.

FIXED DEPOSITS

Your Company has not accepted any fixed deposits 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 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 thereon of the Subsidiary company for the year ended March 31, 2010 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 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 or 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

Form B:

	(Disclosure of Particulars with respect to technology absorption to the extent applicable)	2009-10	2008-09
i.	Research & Development (R&D)	NIL	NIL
ii.	Technology Absorption, Adaptation and Innovation	NIL	NIL
iii.	Foreign Exchange Earnings	1167.73	1642.23
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 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 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.

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.M.A.Hasan Abdul Kader and Mr.Ravivarma, retire at this Annual General Meeting and being eligible, offer themselves for re-appointment.

Mr.K.S.Narayanan resigned with effect from 30.09.2009 and your Directors place on record their sincere appreciation for the valuable services rendered by him during his tenure as Director.

Mr.S.Sam Kumar was appointed as an Additional Director pursuant to the provisions of section 260 of the Companies Act, 1956, read with 106A of the Articles of Association by the Board of Directors at their meeting held on 30th September, 2009. He holds office as such till the conclusion of the ensuing Annual General Meeting. The Company has received a notice in writing along with a deposit of Rs.500/- from a member as required under section 257 of the Companies Act, 1956 signifying his intention to propose the appointment Mr.S.Sam Kumar as a Director of the Company. Your Directors recommend his appointment as Director of the Company.

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.

DISCLOSURES OF PARTICULARS OF CONSTITUTING "GROUP" PURSUANT TO REGULATION 3(1)(E) OF THE SEBI(SUBSTANTIAL ACQUISITION OF SHARES & TAKEOVERS) REGULATIONS, 1997.

Pursuant to an information from the promoters, the name of the promoters and entities comprising group as defined under Monopolies and restrictive Trade Practice (MRTP) Act, 1969, are as under for the purpose of the SEBI(Substantial Acquisition of Shares & Takeovers) Regulations, 1997.

1) Hasan Abdul Kader M A. 2) H.Ratna Kumar 3) H.Kalyani, 4) Umar Farooq and 5) Aysathu Nooriya

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 : 4th September, 2010

ANNEXURE – ‘A’

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

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.

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	07	07	Yes	Nil	Nil
Mr. H. Ratnakumar	Executive Director	07	07	Yes	Nil	Nil
Mr. P Ravivarma	Director Non -Executive & Independent	07	07	Yes	Nil	Nil
Mr.S. Sam Kumar *	Director Non- Executive & Independent	07	03	Yes	Nil	Nil
Mrs. E. Selvarani	Director Non-Executive Independent	07	07	Yes	Nil	Nil
Mr. K.S. Narayanan**	Director Non-Executive Independent	07	04	No	Nil	Nil

* Appointed and ** Resigned with effect from 30-09-2009

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 seven (07) times on 30-04-2009, 31-07-2009, 02-09-2009,30-09-2009, 31-10-2009, 21-12-2009 and 31-01-2010 and in respect of which 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 31-03-2009 was held on 30-09-2009 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.

None of the Directors is related to each other

Equity Shares held by the Directors.

Name of the Directors	No. of Equity Shares as on 31 st March 2010
Mr.M.A.Hasan Abdul Kader	907,695
Mr.H. Ratnakumar	1,468,400

There are no other shares or convertible instruments held by any other directors

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 Thirteenth 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 include 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 polices 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 un-audited/ 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) 30-04-2009, 31-07-2009, 02-09-2009, 31-10-2009 and 31-01-2010 and the details of the number of meetings held and attendance record of the members are as follows:

Name of Directors	Status and Category	No. of Meetings	
		Held	Attended
E. Selvarani	Chairman – Independent Non-Executive	05	05
P. Ravivarma	Member - Independent Non-Executive	05	03
K.S. Narayanan**	Member - Independent Non-Executive	05	03
S.Sam Kumar*	Member- Independent Non-Executive	05	02

* Appointed and ** Resigned with effect from 30-09-2009

Mr.G.Sathyakumar is the Compliance Officer of the Committee. Head of Finance is the Special Invitee of the Audit Committee.

All the members including the Chairman have adequate financial knowledge. The Audit Committee reviews the unaudited/audited quarterly, half yearly financial results with the management before being submitted to the Board for its consideration and approval. The Chairman of the Audit Committee is always present at the Annual General meeting.

Changes in the committee

The Audit committee had been re-constituted at the meeting of the Board of Directors held on September 30, 2009 for inducting Mr.S.Sam Kumar as member of the Committee in place of Mr.K.S.Narayanan who resigned from the Board.

Remuneration Committee

The Remuneration Committee has been formed specifically to determine the Company’s policy on specific remuneration packages for Executive Directors and compensation payments. Due to resignation of Mr.K.S.Narayanan, the remuneration committee has been reconstituted with the following members of the Board.

Sr.No	Name of Directors	Status	Position held
1	Ravi Varma	Independent and Non Executive	Chairman
2	E. Selvarani	Independent and Non Executive	Member
4	S.Sam Kumar	Independent and Non Executive	Member

Executive Director

The Company has a Managing Director and a Whole Time Director. There was no revision to their salary during the year under review. The remuneration paid to them during the period 01-04-2009 to 31-03-2010 was as under

(Amount in Rs.)

Name and Designation	Period	Salary	Perquisites	Total
Mr. M.A. Hasan Abdul Kader	01-04-2009 to 31-03-2010	6,00,000/-	Nil	6,00,000/-
Mr. H. Ratnakumar	01-04-2009 to 31-03-2010	6,00,000/-	Nil	6,00,000/-

Non-Executive Director

Non-Executive Directors of the Company are remunerated by way of sitting fees for the meetings of the Board/Committees of the Board attended by them. There was no other payment to the Non-Executive Directors.

Share Transfer and Investor's Grievance Committee

The Investors Grievance Committee of the Board oversees share transfers and monitor investors grievances such as complaints on transfer of shares, non receipt of balance sheet, non receipt of declared dividends etc., and redressal thereof, within the purview of the guidelines setout in the listing agreement.

The Committee oversees share transfers and monitor investors grievances such as complaints on transfer of shares, non receipt of balance sheet, non receipt of declared dividends etc., and redressal thereof, within the purview of the guidelines setout in the listing agreement.

Composition and Attendance

The Shareholders/Investors' Grievance Committee consist of the following Directors

Sr.No	Name of Directors	Status	Position held
2	Ravi Varma	Independent and Non Executive	Member
3	E. Selvarani	Independent and Non Executive	Member
4	S.Sam Kumar*	Independent and Non Executive	Chairman

(*) The committee had been re-constituted at the meeting of the Board of Directors held on 30-09- 2009 for inducting Mr.S.Sam Kumar as Chairman of the Committee in place of Mr.K.S.Narayanan who resigned from the position of Director.

Mr.G.Sathyakumar is the Compliance officer. The Company use to give a detailed report on steps taken by it to the Committee to specifically look into redressing shareholders and investor's complaint, break up of the nature of complaints received including number of complaints not resolved to the satisfaction of the complainants and revocation of suspension of trading. Additionally details of communication received from agencies like Stock Exchanges/SEBI/ Ministries of Companies Affairs were placed with an explanation as to how such communication were responded to and within how many days/ weeks.

The Company has delegated to its Registrar and Share Transfer Agents all shares related works. No complaint of any material nature was received during the year under review.

Details of the Queries/Complaints received and resolved during the year 2009-10

Nature of queries/ Complaints	Received	Resolved	Unresolved
NIL	NIL	NIL	NIL

General Body Meetings:

The last three Annual General Meetings held as follows: -

Financial Year	Location	Date	Time
2006-2007	Registered Office of the Company At Flat No-7, IIIrd Floor "CCS TOWERS" No-14, Periyar Road, T.Nagar Chennai- 600017	September 29, 2007	10.00 a.m.
2007-2008	Registered Office of the Company At Flat No-7, IIIrd Floor "CCS TOWERS" No-14, Periyar Road, T.Nagar Chennai- 600017	September 30, 2008	10.00 a.m.
2008-2009	Registered Office of the Company At Flat No-7, IIIrd Floor "CCS TOWERS" No-14, Periyar Road, T.Nagar Chennai- 600017	September 30, 2009	10.00 a.m.

All the resolutions including the special resolutions as set out in the respective notices were passed by the shareholders. There is no proposal to put any resolution through postal ballot.

Disclosures

Disclosure made by the senior managerial personnel to the Board

During the year no material transaction has been entered into by the Company with the Senior Managerial personnel where they had or were deemed to have had personal interest that may have potential conflict with the interest of the Company

Disclosures on materially significant related party transactions

The details of the transaction with related parties or others, if any, as prescribed in the listing agreement are being placed before the Audit committee from time to time. Materially significant related party transactions during the year 2009-2010 have been given in Schedule U of the Schedules to the Annual Accounts for the year 2009-2010. There were no other transactions of material nature has been entered into by the Company with related parties (i.e.) Directors or Management, their subsidiaries or relatives that had potential conflict with the interest of the Company at large in the financial year ended March 31, 2010. The related party transactions with the subsidiary/ group companies have been disclosed in the Annual Accounts.

Disclosure of Accounting Treatment

No treatment different from that prescribed in the Accounting Standard have been followed by the Company

Risk Management

In order to ensure that management controls risk through means of properly defined frame work a report on Risk Management and minimization procedures as received from the Individual functional heads of the Company is placed before the Board of Directors of the Company.

Code of Conduct for the Directors and Senior Management Personnel

The Company has laid down a Code of Conduct for all the Board Members and Senior Management Personnel of the Company. The Code is also posted on the Website of the Company. All Board Members and Senior Management Personnel have affirmed their compliance with the Code for the financial year ended 31st March, 2010. A declaration to this effect signed by Mr. Hasan Abdul Kader, Managing Director of the Company, forms part of this report.

The Board of Directors of the Company have adopted the revised (Prohibition of Insider Trading code) and modified in terms of amendment notified by the Securities and Exchange Board of India (SEBI) under SEBI (Prohibition of Insider Trading) Regulations, 1992.

CEO/CFO Certification

In terms of Clause 49 (V) of the Listing Agreement, the Certificate duly signed by Mr.Hasan Abdul Kader, Managing Director, was placed before the Board of Directors along with the financial statements for the financial year ended March 31, 2010 at its meeting held on 04th September, 2010.

Proceeds from Public/ Rights/ Preferential Issues, etc.,

The Company does not have any unutilized money raised through Public/ Rights/ Preferential Issues, etc.

Compliances by the Company

The Board of Directors is periodically reviewing the Compliance Reports of the Laws applicable to the Company and the Company initiates requisite actions for strengthening of its statutory compliance procedures as may be suggested by the Board from time to time.

Details of non-compliances with regard to Capital Market

There were no instances of non-compliance by the Company on any matter related to capital markets during the last three years. Hence there was no penalty, strictures imposed by SEBI/Stock Exchange or any other statutory/local authorities against the Company.

Subsidiary Company

During the year none of the Subsidiaries was a non listed Indian Subsidiary as per the criteria given in the Clause 49 of the Listing Agreement.

Means of Communication to Shareholders

- ✦ The quarterly, half-yearly and annual results are published in English language in **TRINITY MIRROR** and in Tamil language in **MAKKAL KURAL**. These results are promptly submitted to the Stock Exchanges to enable them display the same on their website.
- ✦ The domain name of the Company's website is www.ccsinfotech.com where general information about the company is available.
- ✦ The Management Discussion and Analysis report forms part of the Annual Report.

General Shareholder's Information

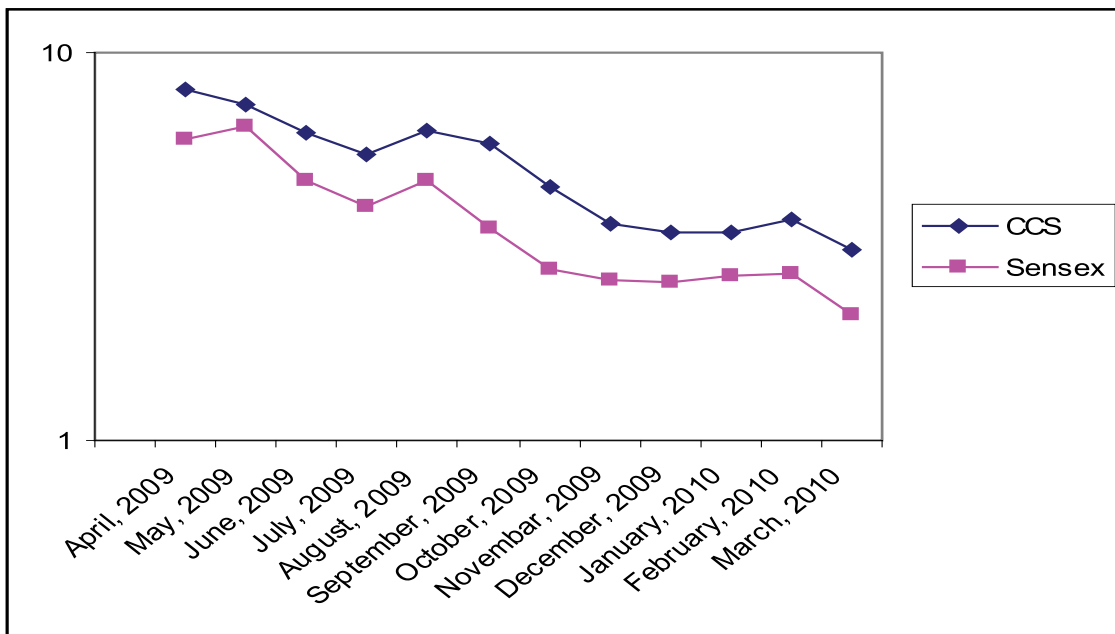
Financial Calendar (Tentative)

First Quarter ending Result on 30 th June 2010 Second Quarter ending Result on 30 th September 2010 Third Quarter ending Result on 31 st December 2010 Fourth Quarter ending Result on 31 st March 2011 Annual General Meeting	By Fourth Week of July 2010 By Fourth Week of October 2010 By Fourth Week of January 2011 By Fourth Week of April 2011 30 ^h September 2010
Dates of book closure	28 th September, 2010 to 30 th September, 2010.(Both days Inclusive)
Venue and other details of the Annual General Meeting	Thursday, the 30 th day of September, 2010 Time :- 10:00 a.m. Registered Office of the Company At Flat No-7, III Floor "CCS TOWERS" No-14, Periyar Road, T.Nagar Chennai- 600017
Dividend Payment Date	Not Applicable
Listed At	Bombay Stock Exchange Limited Madras Stock Exchange Limited (Delisting Application pending) Calcutta Stock Exchange Limited (Delisting Application pending)
BSE Scrip code Stock code and Demat ISIN	CCSIN 532405 & INE661B01019
Registered Office	Flat No-7, III Floor, "CCS TOWERS" No-14, Periyar Road, T.Nagar Chennai- 600017

Stock Market Data

Stock Market data for the period April 1, 2009 to March 31, 2010 and Graphical representation of volume of Shares of during April 2009 - March 2010. Monthly high and low prices as well as the volumes of shares traded at BSE for the year 2009-10. are as under. [**Equity Shares of Rs.10/- each**]

Month	Bombay Stock Exchange	
	High	Low
April, 2009	8.00	6.00
May ,2009	7.30	6.45
June, 2009	6.20	4.70
July, 2009	5.45	4.00
August, 2009	6.30	4.70
September, 2009	5.85	3.55
October, 2009	4.50	2.75
November, 2009	3.63	2.60
December, 2009	3.45	2.55
January, 2010	3.45	2.65
February, 2010	3.70	2.70
March, 2010	3.10	2.10



Dematerialization of Shares and Liquidity

The Equity shares of the Company are made available for dematerialization under depository system operated by the Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL). The Shares of your Company are under compulsory demat settlement mode and can be traded only in the demat form. Shares dematerialized upto March 31, 2010 are under.

Demat Form	No of Shares	% of Shares
01 Held in dematerialized Form in NSDL	7008770	69.77
02 Held in dematerialized Form in CDSL	2662261	26.50
03 Physical	373969	3.72
Total number of shares in Demat and Physical	10045000	100.00

Registrar and Share Transfer Agents(RTA)

Pursuant to newly introduced regulations 53A of the Securities and Exchange Board of India (Depositories & Participants) Regulations, 1996, the Company has appointed M/s Venture Capital & Corporate Investment Limited, a SEBI registered Agency as the Common Registrar and Share Transfer Agent of the Company for both physical and dematerialized segments. Their complete address is as under

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

Share Transfer System

The shares of the Company are traded on the Stock Exchanges through the Depository System. The Demat ISIN in National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) is **INE661B01019**.

All requests received by the Company/ RTA for dematerialisation/ re-materialisation, transfers, transmissions, subdivision, consolidation of shares or any other share related matters and/ or change in address are disposed off expeditiously if the documents are complete in all respects.

Adequate care is taken to ensure that no transfer is pending for more than the period mentioned in the listing agreement. Shares requested for dematerialisation confirmed within 15 days.

Distribution of shareholding as on 31.03.2010

No. of Equity Share held	As on 31.03.2010 No. of Shareholders	% of	No of shares
Upto-500	3663	60.23	9,55,450
501-1000	1200	19.73	11,06,012
1001-2000	597	9.81	9,98,613
2001-3000	191	3.14	5,06,944
3001-4000	93	1.52	3,44,417
4001-5000	124	2.03	6,02,688
5001-10000	129	2.12	9,44,598
10001 & above	84	1.38	45,86,278
Total	6081	100.00	100450000

Secretarial Audit:

As required under Circular No.D&CC/FITTC/CER-16/2004 dated 31st December,2004 issued by the Securities and Exchange Board of India and amended thereafter, the Company has appointed a Practicing Company Secretary to do the Secretarial Audit. His report was placed before the Board and sent forthwith to Stock Exchanges for their information and record.

Shareholding Pattern as on 31st March, 2010

Sl. No.	Category	No.of shares held	Percentage of Holding
A.	Promoter's holding		
1.	- Indian Promoters	2376395	23.66
	- Foreign Promoters	NIL	NIL
2.	Persons acting in concert	NIL	NIL
	Sub – total (1+2)	2376395	23.66
B	Non-promoters holding	NIL	NIL
3	Institutional Investors		
a.	Mutual Funds and UTI Banks, Financial Institutions Insurance Companies(Central/ State Govt. Institutions /	NIL	NIL
b.	Non-govt. Institutions)	NIL	NIL
c.	FII's	NIL	NIL
	Sub – total (a+ b+ c)	NIL	NIL
4.	Others		
a.	Private Corporate Bodies	695053	6.92
b.	Indian Public	6873695	68.43
c.	NRI / OCB's	99857	0.99
d.	Foreign Collaborators	NIL	NIL
e.	Foreign Companies	NIL	NIL
f.	Any other	NIL	NIL
	Sub – total(a+ b+ c+ d+ e+ f)	7668605	76.34
	GRAND TOTAL(1+ 2+ 3+ 4)	10045000	100

Company Registration Details

The Company is registered in the State of Tamil Nadu. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L72300TN1997PLC039682

Plant Location

The Company has its software and hardware manufacturing facility at "Lakshmi Home" Plot No-14, Block C, Vinoba Nagar, Mariamman Koil Street, Pondicherry- 13

Legal Proceedings

There is no legal proceeding pending against the Company.

The Company has not issued any GDRs/ADRs/ Warrants/Convertible Instruments.

Address for Communication

CCS INFOTECH LIMITED
Flat No-7, IIIrd Floor
"CCS TOWERS"
No-14, Periyar Road, T.Nagar
Chennai- 600017
Ph \ o- 044- 28341121 (6 Lines)
Fax No- 044- 28340784
E-id: info@ccsinfotech.com
Website: www.ccsinfotech.com

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

M.A.HASAN ABDUL KADER
Managing Director

Dated: 4th September, 2010

MANAGING DIRECTOR'S DECLARATION ON CODE OF CONDUCT

As required by clause 49 of the Listing Agreement the Managing Director's declaration on code of conduct is as under.

I, Hasan Abdul Kader, Managing Director, of the Company declare that all the Board members and senior Management of the Company have affirmed compliance with the code of conduct

For and on behalf of the Board of Directors

M.A.Hasan Abdul Kader
Managing Director

Chennai , 4th day of September, 2010.

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE FROM AUDITORS

The Certificate dated 27th day of May 2010, obtained from Statutory Auditors of the Company M/s. Subbiah & Co., Chartered Accountants, confirming compliance with the Corporate Governance requirements under Clause 49 of the Listing Agreement, is annexed hereto.

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

M.A.HASAN ABDUL KADER
Managing Director

Chennai , 4th day of September, 2010.

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT 1956 RELATING TO SUBSIDIARY CO.

01	Name of the Subsidiary	CCS Infotech Singapore Pte Limited
02	Financial Year of the Subsidiary Company ended on	31-03-2010
03	Shares of the Subsidiary held by the Company on the above dates: (a) Nos (b) Face Value (c) Extent of holding	8000 S\$1 100%
04	Net aggregate amount of profits or losses of the subsidiary for the above financial year as so far as they concern members of the Holding Company (a) Dealt with the Accounts of the Company for the year ended 31-03-2010 (b) Not dealt with in the Accounts of the Company for the year ended 31-03-2010.	- Loss of USD 261895
05	Net aggregate amount of profits or losses of the subsidiary for the above financial year as so far as they concern members of the Holding Company (a) Dealt with the Accounts of the Company for the year ended 31-03-2009 (b) Not dealt with in the Accounts of the Company for the year ended 31-03-2009.	- Loss of USD 56144

For and on behalf of the Board
CCS INFOTECH LIMITED

M.A.HASAN ABDUL KADER
Managing Director

H.RATNAKUMAR
Executive Director

Place: Chennai
Date: 4th September 2010

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Industry structure and development :

Your Company has manufacturing division, System Integration Division, Retail division (CCS Zone) and Distribution Division (Info Logics). The manufacturing plant is an ISO 9001:2000 and ISO 14001:2004 certified and is situated in Pondicherry. The manufacturing division and system integration division cater to SME, Corporates, Government and Education segments. The recently started CCS Zones – Multi branded IT Stores form part of the retail division, presently five stores are operational in Chennai and caters to home consumer which is the largest market in IT industry. Info Logics, the distribution division of your company, is focusing in to distributing high end

2. Outlook on opportunities, threats, risks and concerns :

The market of IT industry is always highly competitive. A right marketing strategy and good logistics with support centres will reduce the risk and in turn develop the growth of the company. The Company's focus on continuous improvement in quality, delivery and service makes it possible to improve the performance.

3. Segment wise or product wise performance :

The company from its inception is operating in two segments a) System Integration b) Manufacturing.

The turnover arising from system integration is high as compared to manufacturing. Expenses are high in system integration while income from software is low compared to hardware income.

4. Outlook :

The IT industry after rapid growth has recorded a negative growth this year as per IDC reports. However your company has fared better and is expected to grow at a better rate. Every player in the IT industry is targeting the same set of customers and trying to capture market share from competition. The obvious fall out of this competition is reduction in profits.

5. Risks and concern :

The IT industry is always prone to high risk of technology obsolescence. The markets of software products are highly competitive but in fact the improved financial position has considerably reduced risks.

6. Internal control systems and their adequacy :

The Company has adequate internal control procedure to ensure efficient use and protection of the resources and compliance with the policies, procedure and statutes. The internal control system provides well documented policies, guidelines, authorization and approval procedures.

7. Discussion on financial performance with respect to operational performance :

The Total Revenue of the company for the year under review was Rs.6834 lakhs as compared to Rs.6967 lakhs. During the year the company has earned a profit of Rs.82 lakhs due to the measures taken during the year to control the costs.

8. Material developments in performance in Human Resource/Industrial Relations front, including number of people employed :

The Company regards its human resource amongst its most valuable assets and proactively reviews and evolves policies and processes to attract, retain requisite skill sets covering technical and managerial functions through a work environment that encourage initiative, provide challenges and opportunities and recognizes the performance and potential of its people.

For and on behalf of the Board of Directors

M.A. Hasan Abdul Kader
Chairman & Managing Director

Place: Chennai
Date: 04th September 2010

M.R. SUBBIAH, B.com. F.C.A., C.A.I.I.B.,

**AUDITORS' CERTIFICATE OF COMPLIANCE ON CONDITIONS OF
CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

To

The Members of CCS INFOTECH LIMITED
Chennai

We have examined the compliance of conditions of Corporate Governance by CCS INFOTECH LIMITED for the year ended 31st March 2010 as stipulated in Clause 49 of the Listing Agreement of the Company with Stock Exchange.

The Compliance of Conditions of Corporate Governance is the responsibility of the management; our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion of the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as explained in the above mentioned listing agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Subbiah & Co.,
Chartered Accountants

M.R.Subbiah
Proprietor
M.No.15130

Place: Chennai
Date: 27.05.2010

AUDITORS' REPORT

To The Members of M/S CCS INFOTECH LIMITED

1. We have audited the attached Balance Sheet of M/S CCS INFOTECH LIMITED, Chennai as at 31st March 2010, the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our Audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An Audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor Report) (Amendment) Order 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act 1956, we enclose in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper Books of Accounts as required by law have been kept by the Company in their Head Office as well as in Branches in electronic media, so far as appears from our examination of those books through electronic media. However we have not visited any of the Branches for the purposes of this Audit.
 - c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the Books of Accounts.
 - d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report read with notes thereon comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act 1956 excepting that of AS 15 with reference to the retirement benefits to the employees which had not been quantified and provided for in the books of accounts.
 - e) On the basis of written representations received from the Directors, as on 31st March 2010 and taken on record by Board of Directors; we report that none of the Directors is disqualified as on 31st March 2010 from being appointed as a Director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon give the information required by the Companies Act 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) In the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2010;
 - ii) In the case of the Profit & Loss Account, of the Profit for the year ended on that date; and
 - iii) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Subbiah & Co.,
Chartered Accountants

Place: Chennai
Date: 27.05.10

M.R.Subbiah
Proprietor
M.No.15130

ANNEXURE TO AUDITORS' REPORT

- I. In respect of its fixed assets:
 - a) The Company has maintained proper records showing particulars of fixed assets including quantitative details and situation of fixed assets on the basis of available information.
 - b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.

- II. In respect of its inventories:
 - a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
 - c) The Company has maintained proper records of inventories. As explained to us, there is no material discrepancies noticed on physical verification of inventories as compared to the book records.

- III. The Company has not granted loan to Companies, firms, or other parties covered in the Register maintained under section 301 of the Companies, Act 1956.

- IV. In Our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and also for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.

- V. According to the information and explanations provided to us, we are of the opinion that the transactions that need to be entered into the Register maintained under section 301 of the Companies Act 1956 have been so entered and the transactions have been made at prices which are reasonable having regard to prevailing market prices at the relevant time and are not prejudicial to the interest of the Company as declared and confirmed by the Directors of the Company.

- VI. According to the information and explanations given to us, the Company has not accepted any deposits from the Public. Therefore, the provisions of Clause (VI) if paragraph 4 of the Order is not applicable to the Company.

- VII. In our opinion, the Company has an internal audit system commensurate with the size of and nature of its business.

- VIII. It was informed by the Management, that the maintenance of Cost Records under section 209(1) (d) of the Companies Act 1956 and the Rules made by the Central Government relating thereto are not applicable and hence prescribed accounts and records have not been maintained by the Company.

- IX. The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Excise duty, Service Tax and Cess as certified by the management, According to the information and explanations given to us, and as certified by the Directors of the Company, no undisputed amounts payable in respect of income tax, Sales Tax, Excise duty, Service Tax and Cess were in arrears at 31-03-2010 for a period of more than six months from the date they became payable subject to the comments given in the notes on accounts. However Tax assessments and Appeals are pending before the relevant authorities as mentioned in the notes on accounts for different earlier years in respect of statutory dues namely income tax and Excise duty and any liabilities arising out of such orders could not be estimated and hence not provided for.
- X. There are no accumulated losses of the company as on 31-03-2010. The Company has not incurred any cash loss during the financial year covered by our audit and in the immediately preceding financial year.
- XI. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions or banks.
- XII. The Company has not sanctioned any loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
- XIII. In our opinion, the company is not a chit fund or nidhi/mutual benefit fund/ society. Therefore the provisions of Clause 4(xiii) of the Companies (Auditors' Report) Order 2003 as amended are not applicable to the company.
- XIV. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause (xiv) of the Companies (Auditors' Report) Order as amended are not applicable to the Company.
- XV. As Certified by the Directors of the Company, it has not given any guarantees for loans taken by other from Banks or financial institutions and hence commenting on the same does not arise.
- XVI. The Company has not raised term loan during the year.
- XVII. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short term basis that have been used for long term investments.
- XVIII. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
- XIX. According to the information and explanations given to us, the Company has not issued any Debentures during the year.
- XX. The Company has not raised any monies by way of public issues during the year.
- XXI. In our opinion and according to the information and explanations given to us, no material fraud on or by the company has been noticed or reported during the year.

Subbiah & Co.,
Chartered Accountants

M.R.Subbiah
Proprietor

Place: Chennai
Date: 27.05.10

BALANCE SHEET AS AT 31ST MARCH 2010

(Amount in Rupees)

Particulars	Schedule	31st March, 2010		31st March, 2009	
SOURCES OF FUNDS					
Share Holders' Funds					
Share Capital	A	100,450,000		100,450,000	
Reserves and Surplus	B	82,793,470	183,243,470	74,636,118	175,086,118
Loan Funds					
Secured Loans	C	98,573,719		107,161,193	
Unsecured Loans	D	883,114	99,456,833	883,114	108,044,307
Deferred Tax Liability			4,896,267		5,005,916
Total			287,596,570		288,136,341
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	E	44,384,519		23,688,092	
Less: Depreciation		20,019,826		17,013,027	
Net Block			24,364,693		6,675,065
Capital work in progress					1,372,723
Investments	F		2,667,900		2,657,246
Current Assets, Loans and Advances					
Current Assets					
Inventories	G	71,218,410		142,394,985	
Sundry Debtors		180,120,388		272,158,673	
Cash and Bank Balances		3,726,146		2,321,511	
Loans and Advances		7,036,240		69,002,316	
Other Current Assets		64,193,396		23,858,800	
			326,294,580		509,736,285
Less: Current Liabilities and Provisions					
Current Liabilities	H	63,910,962		228,290,736	
Provisions	I	2,050,361		4,712,435	
			65,961,323		233,003,171
Net Current Assets			260,333,257		276,733,114
Miscellaneous Expenditure (to the extent not written off)	J		230,720		698,193
TOTAL			287,596,570		288,136,341
Significant Accounting Policies					
Notes on Accounts					
As per Our Report of even date			For and on behalf of the Board		
Subbiah & Co. Chartered Accountants			M.A.HASAN ABDUL KADER Managing Director		
M.R.Subbiah Proprietor Membership No : 15130			H.RATHNAKUMAR Director		
Place : Chennai					
Date : 27.05.2010					

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH,2010

(Amount in Rupees)

Particulars	Schedule	31st March, 2010	31st March, 2009
INCOME			
Turnover			
Domestic	K	519,552,397	524,477,222
Exports		116,772,674	164,223,602
Total Sales		636,325,071	688,700,824
Other Income	L		
Other Income		46,919,253	6,037,318
Interest Income		199,856	1,996,552
Total Other Income		47,119,109	8,033,870
Total		683,444,180	696,734,694
EXPENDITURE			
Materials Consumed	M	617,193,264	642,112,211
Employees Cost	N	11,283,362	6,122,690
Administrative Expenses	O	12,351,674	13,870,164
Selling and Distribution Expenses	P	9,668,893	7,949,478
Interest and Financial Charges	Q	19,813,456	13,349,558
Miscellaneous Expenditure			
Written off/AMC expenses		507,766	208,340
Total		670,818,415	683,612,441
Profit Before Tax and Depreciation		12,625,765	13,122,253
Depreciation	E	3,006,799	2,284,275
Profit Before Tax		9,618,966	10,837,978
Provision for Taxes			
- Current Tax		1,571,263	2,647,249
- Deferred Tax		-109,649	39,544
- Fringe Benefit tax		-	183,866
		1,461,614	2,870,659
Profit after Tax		8,157,352	7,967,319
Add: Balance Brought Forward from the Previous year		74,636,118	66,668,799
Profit available for Appropriation		82,793,470	74,636,118
Appropriations			
Balance Carried to Balance Sheet		82,793,470	74,636,118
Basic Earning Per Share of Rs. 10 each (P.Y. Rs. 10 each) (in Rs)		0.82	0.79
Diluted Earning Per Share of Rs. 10 each (P.Y. Rs. 10 each) (in RS)		0.82	0.79
(Refer Note NO. 7 of Schedule U)			
Significant Accounting Policies	T		
Notes on Accounts	U		
As per Our Report of even date		For and on behalf of the Board	
Subbiah & Co.			
Chartered Accountants			
		M.A.HASAN ABDUL KADER	
		Managing Director	
M.R.Subbiah			
Proprietor		H.RATNAKUMAR	
Membership No : 15130		Director	
Place : Chennai			
Date : 27.05.10			

SCHEDULES FORMING PART OF THE BALANCE SHEET

(Amount in Rupees)

Particulars	31st March, 2010	31st March, 2009
SCHEDULE-A		
SHARE CAPITAL		
AUTHORISED		
5,10,00,000 Equity Shares of Rs. 10/- each	<u>510,000,000</u>	<u>510,000,000</u>
ISSUED, SUBSCRIBED AND PAID UP		
1,00,45,000 Equity Shares of Rs.10/- each	100,450,000	100,450,000
TOTAL	<u>100,450,000</u>	<u>100,450,000</u>
SCHEDULE-B		
RESERVES AND SURPLUS		
Profit and Loss account	82,793,470	74,636,118
TOTAL	<u>82,793,470</u>	<u>74,636,118</u>
SCHEDULE-C		
SECURED LOANS		
From Banks (Refer Note NO.1 of Schedule U)		
SBI - Cash Credit Account	98,573,719	102,416,153
SBI - Term Loan	NIL	4,745,040
(Secured by Hypothecation of Current Assets in the form of Raw Materials, Semi Finished Goods, Stores/Spares, Receivables and other Current Assets)		
TOTAL	<u>98,573,719</u>	<u>107,161,193</u>
SCHEDULE-D		
UNSECURED LOANS		
<u>Directors' Interest Free Loan</u>		
Hasan Abdul Kader	274,905	274,905
Ratnakumar	608,209	608,209
TOTAL	<u>883,114</u>	<u>883,114</u>

SCHEDULES FORMING PART OF BALANCE SHEET

SCHEDULE - E

FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT	Additions	Deletions /	As at	As at	For the Year	Deletions	AS AT	As at	As at
	01/04/2009		Adjustmen	31/03/2010	01/04/2009		Adjustment	31/03/2010	31/03/2010	31/03/2009
Tangible Assets										
Computers	13,998,087.00	18,389,522.00	-	32,387,609.00	12,034,231.00	1,372,311.00	-	13,406,542.00	18,981,067.00	1,963,856.00
Office Equipments	4,859,232.00	196,556.00	-	5,055,788.00	1,570,088.00	469,146.00	-	2,039,234.00	3,016,554.00	3,289,144.00
Furniture & Fixtures	2,801,394.00	315,753.00	-	3,117,147.00	2,250,456.00	148,519.00	-	2,398,975.00	718,172.00	550,938.00
Motor Vehicles	552,740.00	25,500.00	-	578,240.00	301,033.00	69,345.00	-	370,378.00	207,862.00	251,707.00
Intangible Assets										
Computer Software	1,335,099.00	1,769,096.00	-	3,104,195.00	805,009.00	911,746.00	-	1,716,755.00	1,387,440.00	530,090.00
Tally Software	141,540.00	-	-	141,540.00	52,210.00	35,732.00	-	87,942.00	53,598.00	89,330.00
Total	23,688,092.00	20,696,427.00	-	44,384,519.00	17,013,027.00	3,006,799.00	-	20,019,826.00	24,364,693.00	6,675,065.00
Previous year	22,427,806.00	1,260,286.00	-	23,688,092.00	14,728,752.00	2,284,275.00	-	17,013,027.00	6,675,065.00	7,699,054.00

**SCHEDULE –F
INVESTMENTS**

Long Term Unquoted at cost	Nos.	Nos.
Investments in Overseas Subsidiary Companies		
Non Trade		
CCS Infotech Singapore Pte Ltd., Singapore representing 100% of Equity Shares of 1 SGD each		
	517,900	517,900
Mutual funds:		
Franklin India Bluechip Fund	200,000	189,346
Franklin India Opportunities Fund	300,000	300,000
SBI Magnum Midcap	200,000	200,000
SBI Magnum Mmps-93	300,000	300,000
Templeton India Ultra Short Bond Fund	650,000	650,000
UTI Infrastructure Advantage Fund	200,000	200,000
UTI Infrastructure Fund	300,000	300,000
TOTAL	<u>2,667,900</u>	<u>2,657,246</u>

SCHEDULE – G

CURRENT ASSETS

1. INVENTORIES

Systems Integration -Finished Goods		19,710,466	
Stock of Materials	<u>71,218,410</u>	<u>122,684,519</u>	142,394,985

II. SUNDRY DEBTORS

(Unsecured)

Debts outstanding for period exceeding six months			
- Considered good	40,527,087	12,150,000	
Other Debts - Less than Six months	<u>139,593,301</u>	<u>260,008,673</u>	272,158,673

III. CASH AND BANK BALANCES

Cash on Hand	88,748	216,249	
Balance with Scheduled Banks			
i) Current Account	<u>3,637,398</u>	<u>2,105,262</u>	<u>2,321,511</u>
	<u>3,726,146</u>		

LOANS AND ADVANCES

(Unsecured and Considered Good)

Advances recoverable in cash or in kind or for

Value to be received

(4,635,602)

34,769,163

Deposits

20,726,845

Balance with Central Excise Authorities

5,797

(4,629,805)

5,872

55,501,880

Vat Input Tax Credit - Chennai

45,813

4,033,754

Cenvat Credit – Pondy

2,779,718

2,314,679

Prepaid Expense - Certification Fees

470,042

Advance Tax & TDS

8,840,5146,681,961**TOTAL****7,036,240****69,002,316****SCHEDULE – H****CURRENT LIABILITIES****Sundry Creditors**

Micro, Medium and Small Scale Industries

Creditors for Expenses

41,889

145,875

Creditors for Goods

61,661,515

147,186,585

Creditors for Others

2,207,55880,958,276**TOTAL****63,910,962****228,290,736****SCHEDULE – I****PROVISIONS**

for Income tax

2,050,361

4,528,569

for Fringe Benefit Tax

183,866

TOTAL**2,050,361****4,712,435****SCHEDULE – J****MISCELLANEOUS EXPENDITURE**

(to the extent not written off or adjusted)

I. PRELIMINARY EXPENDITURE**Opening Balance****15,717**

50,338

Less: Written off during the year

15,717

Nil

34,621**15,717****II. Interior Decoration****Opening Balance****698,193**

490,100

Incurred during the year

376,095

Less: Written off during the year

467,473173,719

Less: Disposed

10,000

TOTAL**230,720****698,193**

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

(Amount in Rupees)

Particulars	31st March, 2010	31st March, 2009
SCHEDULE – K		
TURNOVER		
Sales:		
- Exports	116,772,674	164,223,602
- Domestic – Manufacturing	62,346,287	62,482,354
- System Integration	420,837,442	422,820,760
- Retail Segment	36,368,668	39,174,108
	<u>519,552,397</u>	<u>688,700,824</u>
TOTAL	<u>636,325,071</u>	<u>688,700,824</u>
SCHEDULE – L		
OTHER INCOME		
Annual Maintenance Contract	1,612,904	2,268,832
Interest Income	199,856	1,996,552
Discounts	41,581,050	44,550
Lease Income	3,725,299	2,922,068
Advertisement Refund		55,000
Dividend Received		
Miscellaneous Income		752,485
Foreign Exchange Fluctuation		(5619)
	<u>47,119,109</u>	<u>8,033,870</u>
TOTAL	<u>47,119,109</u>	<u>8,033,870</u>
SCHEDULE- M		
COST OF MATERIAL CONSUMED		
Opening Stock	142,394,985	88,247,055
Purchases	546,016,689	696,260,141
	<u>688,411,674</u>	<u>784,507,196</u>
Less: Closing Stock	71,218,410	142,394,985
Materials Consumed	<u>617,193,264</u>	<u>642,112,211</u>

SCHEDULE – N**EMPLOYEE COST**

Salary & Wages	8,823,206	5,537,033
Director's Salary	1,200,000	
Rent – Director's	444,000	
Bonus	290,234	281,250
Contribution to Provident Fund	97,105	115,259
Contribution to Employees State Insurance	46,039	69,356
Staff Welfare	382,778	119,792
TOTAL	<u>11,283,362</u>	<u>6,122,690</u>

SCHEDULE – O**ADMINISTRATIVE EXPENSES**

Postage and Telegram Charges	224,567	154,844
Rent	1,464,680	2,290,761
Rates and Taxes	8,020	166,070
Insurance	706,858	412,402
Electricity Charges	586,195	427,289
Fees & Subscription	685,117	282,024
Professional and Consultancy Charges	2,120,006	3,203,527
Audit & Statutory Fees	157,000	100,000
Repairs and Maintenance:		
- Buildings	1,002,986	223,762
- Others	380,021	9,370
Consumables	439,126	161,767
Traveling and Conveyance	1,286,062	583,952
Printing and Stationery	297,934	692,435
Security Service Charges		71,500
Director's Remuneration		1,200,000
Subscription & Periodicals	5,255	750,349
Donations	13,500	253,500
Telephone Charges	1,219,036	863,733
Office Maintenance	338,341	374,941
Sundry Expenses	34,022	47,456
Exhibition Expenses		334,029
Business Promotions		811,193
Misc. Expenses	770,593	455,260
Vehicle Maintenance	185,356	
AMC Expenses	116,910	
Incentive & Brokerage	310,089	
TOTAL	<u>12,351,674</u>	<u>13,870,164</u>

SCHEDULE – P

SELLING AND DISTRIBUTION EXPENSES

Advertisement	944,708	3,126,231
Business Promotion Expenses	814,844	398,463
Freight & Forwarding Expenses	805,745	994,190
Foreign Exchange Fluctuation		79,837
Rebate & Discounts	3,226,225	302,881
Service Charges	434,368	259,820
Tender Fees		83,028
Trade Incentive		1,179,686
Traveling Expenses-Directors		391,825
Traveling Expenses - others		154,366
Vehicle Maintenance		106,092
Networking Charges		44,507
Misc. Expenses	49,009	828,552
Vat Paid	3,391,994	
TOTAL	<u>9,668,893</u>	<u>7,949,478</u>

SCHEDULE – Q

INTEREST AND FINANCE CHARGES

Interest		
- Banks	14,249,931	8,702,878
- Others		
	<u>14,249,931</u>	<u>8,702,878</u>
Bank Charges	5,563,525	4,646,680
TOTAL	<u>19,813,456</u>	<u>13,349,558</u>

CASH FLOW STATEMENT FOR THE YEAR 2009-10		(Amount in Rupees)	
Particulars	31st March, 2010	31st March, 2009	
A. Cash Flow From Operating Activities			
Net Profit Before Tax	9,618,966	10,837,978	
Adjustments for:			
Depreciation	3,006,799	2,284,275	
Foreign Exchange (Gain) / Loss		-74,218	
Preliminary Expenses Written Off	507,766	208,340	
Interest Paid	19,813,456	13,349,558	
Interest Received	-199,856	-1,996,552	
Sub Total	12,128,165	13,771,403	
Operative Profit Before Working Capital Changes	13,509,199	24,609,381	
Adjustment For:			
Decrease / (Increase) in Inventories'	71,176,575	-54,147,930	
Decrease / (Increase) in Trade and other Receivables	32,243,268	-171,095,032	
Decrease / (Increase) in Loans & Advances	61,966,076	8,218,072	
Increase / (Decrease) in Provisions	-2,662,074		
Increase / (Decrease) in Trade Payables	-164,379,774	169,593,098	
Sub Total	1,655,931	-47,431,792	
Cash Generated from Operations	11,853,268	-22,822,411	
Prior Period Expenses /Taxes		39,544	
Direct Tax and Fringe Benefit Tax Paid	1,571,263	2,831,115	
Sub Total		2,870,659	
Net Cash From Operating Activities (A)	10,282,005	-25,693,070	
B. Cash Flow From Investing Activities			
Purchase of Fixed Assets	19,323,704	-5,464,124	
Increase in Investments & interior Decoration		-859,559	
Interest Received	199,856	1,996,552	
Sale of Fixed Assets		10,000	
Net Cash used in Investing Activities (B)	19,523,560	-4,317,131	
B. Cash Flow From Financial Activities			
Proceeds From Issue of Share Capital			
Increase / Decrease of Borrowing	-8,587,474	45,093,850	
Interest Paid	-19,813,456	-13,349,558	
Dividend Distribution Tax Paid (Including Interest thereon)			
Net Cash from / used in financial activities (C)	-28,400,930	31,744,292	
Net Increase in Cash And Cash Equivalent (A+B+C)	1,404,635	1,734,091	
Cash and Cash Equivalent at Beginning of the year	2,321,511	587,420	
Cash and Cash Equivalent of the	3,726,146	2,321,511	
Notes:			0
Previous year figures have been regrouped, reclassified wherever applicable			
As per Our Report of even date			
Subbiah & Co.			
Chartered Accountants			
M.R.Subbiah			
Proprietor			
Membership No : 15130			
Place : Chennai			
Date : 27.05.2010			

SCHEDULE – T

SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles and the provisions of the Companies Act

B. Use of Estimates

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets, liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period.

C. Revenue Recognition

Sales are accounted according to goods dispatched as per the applicable terms and conditions agreed upon by the customers.

Service Charges are accounted for as per Contract on completion of contract or job to the customer as per the applicable terms and conditions agreed upon by the customers.

Income and expenditure is accounted on accrual basis.

D. Fixed Assets

Fixed assets are stated at cost less depreciation. All costs relating to the acquisition and installation of fixed assets are capitalised including directly attributable financing costs relating to borrowed funds and costs of bringing the asset to working conditions

E. Depreciation / Amortisation

Depreciation is provided on Written down Value method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956. Depreciation on additions to fixed assets during the year is provided on a pro-rata basis.

F. Borrowing cost

Borrowing Costs are recognised as an expenses in the year in which they are incurred except which are directly attributable to acquisition/construction of fixed asset, till the time such assets are ready for use, in which case the borrowing costs are capitalized.

G. Investments

Trade investments are the investments made to enhance the Company's business interests as per the sanction terms of the Bank. Cost for overseas investments comprises the Indian Rupee value of the consideration paid for the investment. Long term Investments are stated at cost. Provision for diminution in value of long term investments is made only if such a decline is other than temporary in the opinion of the management.

Current Investments are stated at cost or market value whichever is lower.

H. Foreign Currency Transaction

Transactions in foreign currency are recorded at the exchange rate prevailing at the dates of the transaction. Monetary items are translated at year-end foreign exchange rates. Resultant exchange difference, arising on payment or conversion is accounted for in the Profit & Loss Account.

SCHEDULE-T

SIGINIFICANT ACCOUNTING POLICIES

I. Retirement Benefits

Liability in respect of gratuity and leave encashment is not provided for. It will be accounted on cash basis as and when liability arises. The exact liability on this has not been ascertained and provided for. However, this is not in accordance with the Accounting standard 15.

J. Preliminary Expenses

The Company writes off the Preliminary expenses over the period of ten years.

K. Taxes on Income

Current income tax expenses comprise taxes on income from operations in India. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax expense or benefit is recognised on timing differences being the difference between depreciation as per Income-tax Act and depreciation as per books that originate in one period and are capable of reversal in one or more subsequent periods.

Fringe Benefit Tax is provided in accordance with provisions of Section 115WA of the Income Tax Act, 1961 on expenses as defined for Fringe Benefits.

L. Earnings per share

The basic earnings per share is computed by dividing the net profit after tax for the period by the weighted average number of equity shares outstanding during the period.

M. Impairment

Except otherwise than for Financial Assets, Inventories and Deferred Tax Asset, the Carrying Amounts of all the Assets are reviewed at each balance sheet date to determine any indications of impairment. An asset is treated as impaired when the carrying amounts are more than the recoverable amount. Such impairment loss will be provided for when the carrying amounts are more than recoverable amount.

N. Provision, Contingent Liabilities and Contingent Assets

Contingent Liabilities, if any, are disclosed by way of Notes on accounts. Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Provision is made in the Accounts in respect of those contingencies which are likely to materialize into liabilities after the year end, till the approval of accounts by the Board of Directors and which have material effect on the position stated in Balance sheet.

O. Inventories

Closing Stock of Inventories is valued and certified by the management at Weighted Average Cost or Market Value whichever is lower.

SCHEDULE –U**NOTES ON ACCOUNTS****1. Secured loans:**

- i. Secured loans include Working Capital Cash Credit from State Bank of India outstanding of Rs.98,573,719/-(Previous Year Rs.102416153) secured by Hypothecation of current assets in the form of raw materials, semi finished goods, stores / spares, receivables and other current assets
- ii. Secured Loans include Corporate Loan from State Bank of India outstanding of Rs.Nil (Previous Year Rs.4745040)
- iii. Secured loans are secured by personal Guarantees of Executive Director and Managing Director of the Company and their personal property.

2. Contingent Liabilities:

(Amount in Rupees)

	Particulars	2009-10	2008-09
i	Guarantee given in the ordinary course of business (gross)	7,066,727	5,521,710
ii	Against bills discounted with banks		Nil
iii	Claims against the company not acknowledged as debt		Nil

3. Details of Auditors Remuneration:

(Amount in Rupees)

	Particulars	2009-10	2008-09
i	Audit Fees	75,000	75,000
ii	Tax Audit Fees	25,000	25,000
iii	Certification / Consultation Fees	50,000	
iv	Out of Pocket Expenses	7,000	
v	Service Tax		-
	Total	157,000	100,000

4. Details of Managerial remuneration:

a. Remuneration to whole time directors:			
	Particulars	2009-10	2008-09
i	Salaries, Bonus and Perquisites	1,200,000.00	1,200,000
ii	Company's Contribution to Provident fund and other fund	-	-
iii	Provision for Gratuity	-	-
	Total	1,200,000	1,200,000
b. Remuneration to non-whole time directors:			
i	Directors' sitting fees	2,000	7,500.00
ii	Commission to Non-executive Directors		
	Total	2,000	7,500.00

Computation of net profit in accordance with Section 198 read with Section 309(5) of the Companies Act, 1956:

(Amount in Rupees)

Particulars	2009-10	2008-09
Profit before taxation	9,618,966	10,837,978
Add:		
Depreciation as per accounts	3,006,799	2,284,275
Donation considered separately		253,500
	12,625,765	13,375,753
Less:		
Depreciation as Per Section 305 of the Companies Act, 1956	3,006,799	2,284,275
Fringe Benefit Tax	-	-
Net Profit as per Section 198 of the Companies Act, 1956	9,618,966	11,091,478
Remuneration Payable to Non Whole time Directors		
-Maximum permissible remuneration @ 1% of the profits computed above	96,189	110,915
-Remuneration amount paid / provided restricted to Rs.	NIL	NIL
Remuneration Payable to Whole time Directors		
-Maximum Permissible remuneration @ 10% of the profits computed above	961,897	1,109,148
-Remuneration amount paid / provided restricted to Rs.	1,200,000	1,200,000

5. a. Provision for Taxation:

Provision for taxation for the current Year has been made for Rs.1,461,614/- (Previous Year Rs.2,870,659).

b. Deferred Tax:

During the year, the Company has reviewed the deferred tax assets/liabilities. The timing differences mainly arising on account of depreciation has given rise to net deferred tax liability. Rs.48.96 Lakhs. (Previous Year Rs.50.06 Lakhs).

	Particulars	2009-10	2008-09
a.	Deferred Tax Liability		
	i Opening Deferred Tax Liability	5,005,916	5015889
	Total	5,005,916	5015889
b.	Deferred tax Liability		
	i Related to Fixed Assets	-109649	-9973
	Total	-109649	-9973
c.	Deferred tax Liability (net)	4,896,267	5,005,916

6. The information required by Paras 3 and 4 of part II of Schedule VI to Companies Act, 1956 is as under:

A. FOB Value of Exports

	Particulars	2009-10	2008-09
a.	FOB Value of Exports	116,772,674	164223602
	Total	116,772,674	164223602

B. CIF Value of Imports

(Amount in Rupees)

Description	2009-10	2008-09
Value of Imports	Nil	Nil
Total	Nil	Nil

C. Quantitative Details

Having regard to the nature of item purchased / traded, furnishing of particulars regarding quantity is not practicable. The consumption values are ascertained on the basis of opening stock plus purchases less closing stock after adjustment of excess and shortage of physical count, unserviceable items etc.,

I, Materials Consumed:

(Amount in Rupees)

Description	2009-10	2008-09
System Integration and Retail Segment-Purchases	504,675,265	634,018,490
Manufacturing-Materials Consumed	112,517,999	106,542,577
Total	617,193,264	740,561,067

7. Calculation of Earning per share:

(Amount in Rupees)

	Particulars	2009-10	2008-09
a.	Net Profit available for equity share holders (Amount in Rupees)	8157352	7967319
b.			
c.	Basic Weighted Average No. of Equity Share (Nos.)	10045000	10045000
d.	Diluted Weighted Average No. of Equity shares (Nos.)	10045000	10045000
e.	Basic Earning per share of Rs.10 each (P.Y. 10 each)	0.82	0.79
	Diluted Earning per share of Rs.10 each (P.Y. 10 each)	0.82	0.79

8. As per Accounting Standard 18, issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below:

List of related parties with whom transactions have taken place and relationships:
(As certified by the management)

Subsidiary Companies

Sl. Name of the Related Party	Nature of Relationship
1 CCS Infotech Singapore Pte Ltd	Wholly Owned Subsidiary

Associate Companies:

Sl. Name of the Related Party	Nature of Relationship
1 Gagan Media Pvt Ltd	Enterprise managed by relatives of key Management Personnel
2 Aeronet Technologies Pvt Ltd	Enterprise managed by relatives of key Management Personnel

Key Management Personnel with Nature of Relationship

Sl. Name of the Related Party	Nature of Relationship
1 Mr. H Ratna Kumar	Executive Director
2 Mr. M.A. Hasan Abdul Kader	Managing Director

Relatives of Key Management Personnel with Nature of Relationship

Sl. Name of the Related Party	Nature of Relationship
1 Smt Rahmath Mushina	Wife of Managing Director
2 Smt Suganya S	Wife of Executive Director

Details of the transactions are as follows:

(Amount in Rupees)

Particulars	2009-10	2008-09
1. Loan from Key Management Personnel		
a. Mr.M.A.Hasan Abdul kader, Managing Director		
Balance as on 31-03-2009	274905	274905
Balance as on 31-03-2010	274905	274905
b. Mr.H.RatnaKumar, Executive Director		
Balance as on 31-03-2009	608209	608209
Balance as on 31-03-2010	608209	608209
2. Remuneration to key Management Personnel		
Mr.M.A.Hasan Abdul kader, Managing Director	600000	600000
Mr.H.RatnaKumar, Executive Director	600000	600000
3. Travelling Expenses to Key Management personnel	75733	391825
4. Transactions with Associate Companies		
a. Aeronet Technologies Pvt Ltd		
Balance as at the begining Cr Bal		
Advances received during the year	2934889	14229026
Advances repaid during the year	0	14229026
Balance as at the closing Dr. Bal	2934889	0
b. Gagan Media Pvt. Ltd		
Balance as at the begining Cr Bal		
Advances received during the year	2411054	16350156
Advances repaid during the year	0	16350156
Balance as at the closing	2411054	0

9. Balance in Sundry debtors, loans and advances and other current assets are subject to confirmation. The company had initiated the process of obtaining confirmations during the year and partially obtained confirmations from third parties for the balances at the end of the year. In the opinion of the management the balances outstanding are good are recoverable and no provision is foreseen in respect of the same.

10. Segment Reporting (AS-17)

The Company has its manufacturing operations at Pondicherry. The Company has its Systems Integration & Retail operations in Chennai and other parts of India for Computers, Computer Peripherals, Software and consumables. Segments have been identified and reported taking into account nature of products and services, the differing risks and returns and the internal business reporting system. The accounting policies adopted for segment reporting are in line with accounting policy of the Company.

(i) Segment wise revenue and results (Rs. in Lakhs)

Particulars	Retail Segment	Systems Integration	Manufacturing	Total
Segment Revenue	363.68	4208.37	623.46	5195.51
Segment Expenses	365	4205.14	557.33	5127.47
Segment Results	-1.32	3.23	66.13	68.04

11. Income Tax, Excise Duty & Cess

Income Tax

Assessment Year 2003-2004

The Company has declared a taxable income of Rs.56.43 Lakhs (as per MAT provisions) and paid the tax amounting to Rs. 505859/-. In the assessment, an additional demand of Rs.15.67 Lakhs was raised against which an appeal had been made by the Company. Company has paid the amount and preferred an appeal with the Appellate Tribunal. The Appellate Orders are in the favour of the Company and the appeal has been remitted back for consideration. Again the Assessing officer has passed an order in favour of the department.

Assessment Year 2005-06

The Company has declared a Taxable income of Rs. 24958342/- (as per MAT provision) and paid a Tax of Rs.2175684/-. In the assessment, Tax was arrived at Rs.2206081/-. Against this assessment the company filed a rectification petition u/s 154 of the Income Tax act. The orders are awaited.

Assessment Year 2007-08

The Company has declared a Taxable income of Rs.27966979/- (as per MAT provision) and paid a Tax of Rs.7401039/-. In the assessment, the assessing officer has apportioned some expenses in Pondicherry manufacturing unit books and has raised an additional demand of Rs.702730/- on the Company. Company has preferred an appeal against the order to Commissioner Appeals.

Excise Duty

The Company has paid a sum of Rs. 1750000/- during the Assessment year 2002-2003 under protest and the Excise Authorities had collected a sum of Rs.650000/- from the customers directly, without even informing the Company. The customers have informed the same and adjusted against the claims payable to the Company. In addition to that, show cause notice had been issued by the Department on various issues. The Honourable Tribunal has allowed the appeals and the company has received an order in its favour. The company has received a sum of Rs. 17500000/- as refund and the balance payment of Rs.650000/- was transferred to Consumer Welfare account. The Company has filed an appeal with the Commissioner of Excise (Appeals) in this regard and orders were passed in favour of the company and the company has received Rs.600000/- as refund.

The Department has issued a show cause notice to the Company for Rs.208488/- and the same is confirmed by the Assistant Commissioner in his order and the company has preferred an appeal before The Commissioner of Central Excise (Appeals).

11. The Whole time Company Secretary has resigned and the company is in the process of recruiting whole time Company Secretary.

As per my Report of even date
Subbiah & Co.
Chartered Accountant

M.R.Subbiah
Proprietor
Membership No: 15130

Place : Chennai
Date : 27.05.10

for and on behalf of the Board

Mr.M.A.Hasan Abdul Kader,
Managing Director

Mr.H.RatnaKumar,
Director

BALANCE SHEET ABSTRACTS AND GENERAL BUSINESS PROFILE

i. Registration Details			
CIN/ Registration Number	State code		
L72300TN1997PLC039682	18		
Balance Sheet Date	31-Mar-10		
ii. Capital Raised During the Year			
Public Issue	Nil	Bonus Issue	Nil
Right Issue	Nil	Private Placement	Nil
iii. Position of Mobilisation and Deployment of Funds (Amt. in Rs. 000s)			
Total Liabilities	353,557	Total assets	353,557
Source of funds			
Paid up capital	100,450	Reserves and Surplus	82,793
Secured Loans	98,573	Unsecured Loans	883
Deferred tax liability	4,896	Share Warrants	
Application of Funds			
Fixed Assets (Net)	24,364	Investments	2,667
Net Current Assets	260,333	Miscellaneous Expenditure	231
iv. Performance of the Company (Amt. in Rs.000s)			
Turnover	683,444	Total Expenditure	670,818
Profit before tax	12,626	Profit after tax	8,157
Basic Earnings Per Share (Rs.)	0.82		
Diluted Earnings Per Share (Rs.)	0.82	Dividend Rate (%)	0
v. General Name of Principle Products			
Item Code No. (ITC Code)			
Product Description	Computer & Computer Peripherals		
For and on behalf of the Board			
M.A. HASAN ABDUL KADER Managing Director,			
Place : Chennai	H. RATNAKUMAR		
Date : 04-09-2010	Director		

CCS INFOTECH SINGAPORE PTE LTD
(Incorporated in Singapore)

REPORT OF THE DIRECTORS

For the financial year ended 31 March 2010

The Directors submit their report to the members together with the audited financial statements of the Company for the year ended 31 March 2010.

Directors:

The directors in office at the date of this report are:-

BALARAM RAMESH
MOHAMED ABU BACKER HASAN ABDUL KADER
HARINDRANATH RATHNAKUMAR

Arrangements to enable directors to acquire shares or debentures:

Neither at the end of nor at any time during the financial year was the company a party to any arrangement whose object is to enable the directors of the company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' interest in shares and debentures:

The following directors, who held office at the end of the financial year, had, according to the register of the directors' shareholdings required to be kept under section 164 of the Companies Act, an interest in shares of the company as stated below:

Name of the director Holding company	Shares of RS 10 each	
	At the beginning of the year	At the end of the year
CCS INFOTECH LIMITED		
MOHAMED ABU BACKER HASAN ABDUL KADER	907,695	907,695
HARINDRANATH RATHNAKUMAR	1,468,400	1,468,400

Directors' contractual benefits:

During the year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or by a related corporation with the director or with a firm of which he is a member or with a Company in which a firm of which he is a member or with a company in which he has a substantial financial interest other than those disclosed in the financial statements.

Options granted:

During the year, there were no options to take up unissued shares of the Company.

Options exercised:

During the year, no shares have been issued by virtue of the exercise of options granted.

CCS INFOTECH SINGAPORE PTE LTD
(Incorporated in Singapore)

REPORT OF THE DIRECTORS
For the financial year ended 31 March 2010

Options outstanding:

There were no share options outstanding at 31 March 2010.

Independent Auditor:

The independent auditor, MGI N Rajan Associates has expressed its willingness to accept re-appointment.

On behalf of the of directors,

MOHAMED ABU BACKER HASAN ABDUL KADER
Director

BARINDRANATH RATINAKUMAR
Director

Date: 15/04/2010
India

CCS INFOTECH SINGAPORE PTE LTD
(Incorporated in Singapore)

STATEMENT BY DIRECTORS

For the financial year ended 31 March 2010

In the opinion of the directors,

- (a) the accompanying balance sheet, statement of comprehensive income, statement of changes in equity and statement of cash flows together with the notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Company for the year ended 31 March 2010 and of the results and changes in equity of the business and cash flows of the Company for the year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

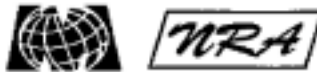
On behalf of the directors,

MOHAMED ABU BAKER HASAN ABDUL KADER
Director

HARINDRANATH RATINAKUMAR
Director

Date: 10/04/2010

India



MGI N RAJAN ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CCS INFOTECH SINGAPORE PTE LTD
(Incorporated in Singapore)**

We have audited the accompanying financial statements of **CCS INFOTECH SINGAPORE PTE LTD** set out on pages 6 to 17, which comprise the balance sheet of the Company as at **31 March 2010**, the statement of changes in equity of the Company, the statement of comprehensive income and statement of cash flows of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap.50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes:

- (a) devising and maintaining a systems of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition; and transactions are properly authorized and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets;
- (b) Selecting and applying appropriate accounting policies; and
- (c) Making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedure selected depends on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion:-

- (a) the financial statements are properly drawn up in accordance with the provisions of the Act, and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at **31 March 2010** and the results, changes in equity of the Company and the cash flows of the Company for the year ended **31 March 2010**; and
- (b) the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Without qualifying our opinion we wish to highlight that as at 31 March 2010, the company has a net capital deficit of USD 228,081. The financial statements of the company have been prepared on a going concern basis which assumes that the company would be able to obtain continuing financial support from its major shareholder. In the absence of such support, the company will not be able to continue as a going concern and, therefore, may be unable to realise its assets and discharge its liabilities in the normal course of business.

DATE:

**MGI N RAJAN ASSOCIATES
PUBLIC ACCOUNTANTS AND
CERTIFIED PUBLIC ACCOUNTANTS
SINGAPORE**

10, JALAN BESAR #10-12, SIM SIM TOWER, SINGAPORE 208787.
TEL: (065) 6293 8089/6293 8370 / 6293 8047 / 6293 0732 FAX: (065) 6293 5756 Email: soma@mra.com.sg Web: www.mra.com.sg

G. Narayan, P.S. Somasekharan, D. Govindaraj

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CCS INFOTECH SINGAPORE PTE LTD
(Incorporated in singapore)

BALANCE SHEET
As at 31 March 2010

	2010	2009
	USD	USD
ASSETS		
<i>Current assets</i>		
Cash and cash equivalent	4 17,832	18,313
Trade and other receivables	5 461,465	11,813
Inventories	6 6,818	120,364
Total current assets	486,115	150,490
Total assets	486,115	150,490
LIABILITIES AND EQUITY		
<i>Current liabilities</i>		
Trade and other payables	7 714,196	116,676
Total current liabilities	714,196	116,676
Capital and reserves		
Issued capital	9 52,365	52,365
Accumulated (losses)	(280,446)	(18,551)
Total equity	(228,081)	33,814
Total equity and liabilities	486,115	150,490

(The annexed notes form an integral part of and should be read in conjunction with these accompanying financial statements).

CCS INFOTECH SINGAPORE PTE LTD
(Incorporated in singapore)

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2010

	NOTE	2010 USD	2009 USD
Revenue			
Sale of goods		2,355,804	264,877
Less: Cost of sales		<u>2,557,500</u>	262,226
Gross profit		(201,696)	2,651
Other income		2,561	-
		<u>(199,135)</u>	2,651
Less: expenses			
Administrative & other operating expenses		<u>62,760</u>	58,795
(Loss) before tax	3	(261,895)	(56,144)
Tax expense			
Under provision of previous years	8	-	-
(Loss) for the year after taxation		<u>(261,895)</u>	(56,144)

(The annexed notes form an integral part of and should be read in conjunction with these accompanying financial statements).

CCS INFOTECH SINGAPORE PTE LTD**(Incorporated in singapore)****STATEMENT OF CHANGES IN EQUITY**

For the financial year ended 31 March 2010

	Issued Capital	Accumulated profit/(losses)	Total
	USD	USD	USD
Balance as at 01 April 2008	52,365	37,593	89,958
Issuance of ordinary shares	-	-	-
(Loss) for the year	-	(56,144)	(56,144)
Balance as at 31 March 2009	52,365	(18,551)	33,814
Issuance of Ordinary Shares	-	-	-
(Loss) for the year	-	(261,895)	(261,895)
Balance as at 31 March 2010	52,365	(280,446)	(228,081)

(The annexed notes form an integral part of and should be read in conjunction with these accompanying financial statements).

CCS INFOTECH SINGAPORE PTE LTD**(Incorporated in singapore)****CASH FLOW STATEMENT****For the financial year ended 31 March 2010**

	NOTE	2010 USD	2009 USD
Cash flows from operating activities			
(Loss) for the year before tax		<u>(261,895)</u>	(56,144)
Adjustment:			
Bad debts - written off		<u>415</u>	3,375
Operating (loss) before reinvestment of capital		<u>(261,480)</u>	(52,769)
(Increase)/Decrease in inventories		<u>113,546</u>	(82,944)
(Increase)/Decrease intrade & other receivables		<u>(450,067)</u>	1,265
Increase in trade & other payables		<u>597,520</u>	112,509
Cash generated (used in) operations		<u>(481)</u>	(21,939)
Tax paid			-
Cash flows (used in) operating activities		<u>(481)</u>	(21,939)
Net (decrease) in cash & cash equivalents		<u>(481)</u>	(21,939)
Cash & cash equivalents at the beginning of the year		<u>18,313</u>	40,252
Cash & Cash equivalents at end of the year	4	<u><u>17,832</u></u>	<u>18,313</u>
		0	

(The annexed notes form an integral part of and should be read in conjunction with these accompanying financial statements).

CCS INFOTECH SINGAPORE PTE LTD
(Incorporated in Singapore)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2010

These notes form an integral part of and should be read in conjunction with accompanying financial statements

1. GENERAL

The financial statements of the Company for the year ended 31 March 2010 were authorised for issue in accordance with a resolution of the directors on the date of the Statement by Directors.

The Company is incorporated as a limited liability company and domiciled in the Republic of Singapore.

The principal activities of the Company are to carry on the business of import and export of computer software, hardware and accessories.

There have been no significant changes in the nature of these activities during the financial year.

The Company's registered office and principal place of business is 10 Jalan Besar #10-12 Sim Lim Tower, Singapore 208787.

The financial statements of the Company are expressed in United States dollars.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements are prepared under realisation basis and in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of the financial statements in conformity with Singapore Financial Reporting Standards requires using of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the financial year. The company has assessed that there are no estimates or judgments used that have a significant risk of causing a materials adjustment to the carrying amounts of assets and liabilities within the next financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2010

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interpretations and amendments to published standards effective in 2009

On 1 January 2009, the Company adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application from that date. Changes to the Company's accounting policies have been made as required, in accordance with the relevant transitional

The following are the new or amended FRS that are relevant to the Company:

FRS 1 (Revised) - 'Presentation of financial statements' (effective from 1 January 2009). The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity. All non-owner changes in equity are shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). The Company has chosen to adopt the former alternative. Where comparative information is restated or reclassified, a restated balance sheet is required to be presented as at the beginning comparative period. There is no restatement of the balance sheet as at 1 January 2008 in the current financial year.

2.2 Revenue recognition

Sale of goods

Revenue from sale of goods is recognized upon delivery and acceptance of goods and when the collectability of the related receivables is reasonably assured.

2.3 Financial Assets

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are classified within "trade and other receivables" and "cash and cash equivalents" on the balance sheet.

Initial measurement

Financial assets are initially recognised at fair value plus transaction costs.

Subsequent measurement

Loans and receivables are carried at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2010

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Financial Assets (con'd)

Impairment

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a company of financial assets is impaired.

Loans and receivables

An allowance for impairment of loans and receivables, including trade and other receivables, is recognised when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance for impairment is recognised in the income statement within "Administrative expenses".

2.4 Financial liabilities

Financial liabilities include trade and other payables. Financial liabilities are recognised on the balance sheet when, and only when, the company becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognised at fair value of the consideration received less directly attributable transaction costs and subsequently measured at amortized cost using the effective interest rate method.

2.5 Income taxes

The liability method of tax effect accounting is adopted by the company. Deferred taxation is provided at the current taxation rate on all temporary differences existing at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences (unless the deferred tax liability arises from goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss).

CCS INFOTECH SINGAPORE PTE LTD
(Incorporated in Singapore)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2010

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Foreign currency transactions

Functional currency

Items included in the financial statements are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the company ("the *Functional* currency"). The financial statements are prepared in the *Functional* currency of the Company which is the United States Dollars.

Transactions and balances

Monetary assets and liabilities in foreign currencies are translated into United States dollars at rates of exchange closely approximating those ruling at balance sheet date. Transactions in foreign currencies are converted at rates closely approximating those ruling at transaction dates. Exchange differences arising from such transactions are recorded in the profit and loss account in the period in which they are a related or matching forward exchange contract, the rate of exchange specified in the contract will be used and any corresponding monetary assets or liabilities will not be retranslated.

2.7 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and bank balances.

2.8 Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

2.9 Inventories

Inventories are stated at cost. Cost is determined on FIFO basis.

2.10 Employee benefits

Defined contribution schemes

The company contributes to the Central Provident Fund ("CPF"), a defined contribution plan regulated and managed by the Government of Singapore, which applies to the majority of the employees. The company's contributions to CPF are charged to the profit and loss account in the period to which the contributions relate.

Leave entitlement

Employee entitlements to annual leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

CCS INFOTECH SINGAPORE PTE LTD
(Incorporated in Singapore)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2010

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Share capital

Incremental external costs directly attributable to the issue of new shares, other than on a business combination, are shown in equity as a deduction, net of tax, from the proceeds. Share issue costs incurred directly in connection with a business combination are included in the cost of acquisition.

2.12 Operating lease payments

Payments made under operating leases (net of any incentives received from the lessors) are recognised in the income statement on a straight- line basis over the period of the lease.

3. (LOSS) FROM OPERATIONS

	2010	2009
	USD	USD
(Loss) before taxation has been arrived at after charging/ (crediting):		
Cost of inventory sold	2,557,500	262,226
Bad debts written off – Trade	415	3,375
Rent	5,678	5,093
Exchange loss	587	842
Staff costs:		
Director's remuneration	37,857	37,560
Director's CPF	2,839	2,817

4. CASH AND CASH EQUIVALENTS

	2010	2009
	USD	USD
Cash in hand	147	147
Cash at bank	17,685	18,166
	<u>17,832</u>	<u>18,313</u>

CCS INFOTECH SINGAPORE PTE LTD
(Incorporated in Singapore)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2010

5. TRADE AND OTHER RECEIVABLES

	2010 USD	2009 USD
Trade Receivables		
Trade Debtors	1,550	3,829
Other Receivables		
Advance against purchases	-	7,984
Due from holding company *	459,915	-
	<u>461,465</u>	<u>11,813</u>

* The amount due from holding company is for non- trading advances, unsecured, interest free and has no fixed terms for repayment.

6. INVENTORIES

	2010 USD	2009 USD
Finished Goods held for Sale- stated at cost	6,818	120,364
	<u>6,818</u>	<u>120,364</u>

7. TRADE AND OTHER PAYABLES

	2010 USD	2009 USD
Trade payable		
Holding company	-	69,902
Others	700,506	42,220
Other Payables		
Accruals	8,410	4,554
Amount due to director **	5,280	-
	<u>714,196</u>	<u>116,676</u>

** This represents amount due for non-trading transactions which is interest free with no fixed repayment terms.

8. TAXATION

No provision for tax is made in the current year as the Company had no taxable profits. Unutilised tax losses as at 31 March 2010 amounting to approximately USD 332,213/- (2009 : USD 70,318/-) are available for carrying forward and offset against future taxable profits, which is subject to agreement with the tax authorities. Deferred tax asset on losses are not recognised since there is no convincing evidence that the Company will make sufficient profit to utilise the asset.

CCS INFOTECH SINGAPORE PTE LTD
(Incorporated in Singapore)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2010

9. SHARE CAPITAL

The Company's share capital comprise fully paid-up 80,000 (2009 : 80,000) ordinary shares have no par value, amounting to a total of USD 52,365 (2009 : USD 52,365).

10. FINANCIAL RISK MANAGEMENT

The Company does not have any written financial risk management policies and guidelines. The company does not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in interest rates and foreign exchange. The company's exposures to financial risks associated with financial instruments held in the ordinary course of business include:

a) Price risk

i) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The company operates and sells its products in several countries other than Singapore and transacted in foreign currencies including United States As a result, the company is exposed to movements in foreign currencies exchange rates.

However, the company does not use any financial derivatives such as foreign currency forward contracts, foreign currency options or swaps for hedging purposes.

(ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The company has no interest-bearing financial instruments, hence, is not exposed to any movements in market interest rates.

(iii) Market risk

Market risk is the risk that the value of a financial instrument will fluctuate due to changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market.

The company does not hold any quoted or marketable financial instrument, hence, is not exposed to any movements in market prices.

CCS INFOTECH SINGAPORE PTE LTD
(Incorporated in Singapore)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2010

10. FINANCIAL RISK MANAGEMENT

iv) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The company has no significant concentrations of credit risk. Cash is held with financial institutions of good standing/ established financial institutions/ reputable financial institutions.

(v) Liquidity risk

Liquidity or funding risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. The company's ensures that there are adequate funds to meet all its obligations in a timely and cost-effective manner.

(vi) Cash flow risk

Cash flow risk is the risk that future cash flows associated with a monetary financial instrument will fluctuate in amount.

The company is not exposed to any cash flows risk as it does not have any monetary financial instruments with variable interest rates.

11. FINANCIAL INSTRUMENTS

Fair value

The carrying amounts of the financial assets and financial liabilities as reflected in the balance sheet approximate to their fair value.

12. Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the company and related parties at terms agreed between the parties:

	2010	2009
	USD	USD
Purchases from holding company	<u>36,103</u>	<u>141,400</u>

13. Holding company

The company is wholly owned subsidiary of CCS INFOTECH LIMITED a company incorporated in India which is also the ultimate holding company.

CCS INFOTECH SINGAPORE PTE LTD
(Incorporated in Singapore)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2010

14. CAPITAL MANAGEMENT

The Board's policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain future development by issuing or redeeming equity and debts instruments when necessary.

The board of directors monitors its capital based on net debt and total capital. Net debt calculated as borrowings plus trade and other payables less cash and bank deposits. Total capital is calculated as equity plus net debt.

The company is not subject to any externally imposed capital requirements.

	2010	2009
	US\$	US\$
Net debt	696,364	98,363
Total equity	-	33,814
Total capital	696,364	132,177

CCS INFOTECH SINGAPORE PTE LTD**(Incorporated in Singapore)**

(This does not form part of the Audited Financial Statements)

DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2010

	2009	2009
	USD	USD
Sale of goods	2,355,804	264,877
Less: Cost of goods sold		
Opening stock	120,364	37,420
Purchase	2,443,954	345,170
Less: Closing stock	(6,818)	(120,364)
	<u>2,557,500</u>	<u>262,226</u>
Gross profit	(201,696)	2,651
Add: Other Income		
Other income	2,561	-
Exchange Gain	-	-
	<u>(199,135)</u>	<u>2,651</u>
Less: EXPENSES		
Audit fee	1,785	1,645
Accounting fee	1,428	1,316
Bad Debts written off- trade	415	3,375
Bank charges	1,587	792
Conveyance	834	723
Salary, remuneration and CPF	40,696	40,377
Freight and transport charges	6,187	1,736
Internet & telephone expenses	2,006	1,758
Postage & courier charges	70	383
Printing & stationery	96	135
Rent	5,678	5,093
Repairs and maintenance	409	-
Registered office fee	214	394
Secretarial fee	429	197
Miscellaneous expenses	339	29
Exchange Loss	587	842
	<u>62,760</u>	<u>58,795</u>
Net (Loss) for the year	(261,895)	(56,144)

AUDITORS' REPORT

Auditors' Report to the Board of Directors of M/S CCS INFOTECH LIMITED, on the consolidated financial statements of M/S CCS INFOTECH LIMITED and its subsidiary.

We have examined the attached Consolidated Balance Sheet of M/S CCS INFOTECH LIMITED, and its subsidiary M/S CCS INFOTECH SINGAPORE PTE LTD as at 31st March 2010, the Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement for the year ended on that date.

These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our Audit. We conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles uses and significant estimates made by the management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis of our opinion.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS 21), Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of M/S CCS INFOTECH LIMITED, and its subsidiary included in the consolidated financial statements.

On the basis of the information and explanation given to us and the consideration of the separate audit reports on individual audited financial statements of M/S CCS INFOTECH LIMITED, Chennai and its aforesaid subsidiary, which had been audited by an independent Auditor at Singapore, we are of the opinion that:

- (a) The Consolidated Balance Sheet gives a true and fair view of the consolidated results of Operation of M/S CCS INFOTECH LIMITED, and its subsidiary as on 31-03-2010 and
- (b) The Consolidated Profit & Loss Account gives a true and fair view of the consolidated results of operations of M/S CCS INFOTECH LIMITED, and its subsidiary for the year ended on that date;
- (c) The Consolidated Cash Flow Statement is in agreement with corresponding consolidated Profit & Loss Account and Balance Sheet of M/S CCS INFOTECH LIMITED, and its subsidiary for the year ended on that date.

Subbiah & Co., Chartered
Accountants

M.R.Subbiah
Proprietor
M.No.15130

Place: Chennai
Date: 04.09.2010

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2010

(Amount in Rupees)

Particulars	Schedule	31st March, 2010		31st March, 2009	
SOURCES OF FUNDS					
Share Holders' Funds					
Share Capital	A	100,450,000		100,450,000	
Reserves and Surplus	B	<u>72,217,932</u>	172,667,932	<u>75,837,998</u>	176,287,998
Loan Funds					
Secured Loans	C	98,573,719		107,161,193	
Unsecured Loans	D	<u>883,114</u>	99,456,833	<u>883,114</u>	108,044,307
Deferred Tax Liability			<u>4,896,267</u>		<u>5,005,916</u>
Total			<u>277,021,032</u>		<u>289,338,221</u>
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	E	44,384,519		23,688,092	
Less: Depreciation		<u>20,019,826</u>		<u>17,013,027</u>	
Net Block			24,364,693		6,675,065
Capital work in progress					1,372,723
Investments	F		2,667,900		2,139,346
Current Assets, Loans and Advances					
Current Assets					
Inventories	G	71,525,015		148,516,698	
Sundry Debtors		200,872,469		272,759,482	
Cash and Bank Balances		4,528,051		3,252,910	
Loans and Advances	H	7,036,240		<u>69,002,316</u>	
Other Current Assets		<u>64,193,396</u>	348,155,171	23,858,800	517,390,206
Less: Current Liabilities and Provisions					
Current Liabilities	I	96,347,091		234,224,877	
Provisions	J	<u>2,050,361</u>		<u>4,712,435</u>	
			98,397,452		238,937,312
Net Current Assets			249,757,719		278,452,894
Miscellaneous Expenditure (to the extent not written off)	K		230,720		698,193
TOTAL			<u>277,021,032</u>		<u>289,338,221</u>
Significant Accounting Policies	T				
Notes on Accounts	U				
As per Our Report of even date Subbiah & Co. Chartered Accountants		For and on behalf of the Board			
		M.A.HASAN ABDUL KADER Managing Director			
M.R.Subbiah Proprietor Membership No : 15130		H.RATNAKUMAR Director			
Place : Chennai Date : 04.09.2010					

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH,2010

(Amount in Rs.)

Particulars	Schedule	31st March, 2010	31st March, 2009
INCOME			
Turnover	L	742,265,577	702,172,468
Other Income	M	47,234,277	8,033,870
Total		<u>789,499,854</u>	<u>710,206,338</u>
EXPENDITURE			
Materials Consumed	N	732,204,039	655,449,025
Employees Cost	O	13,113,461	6,122,690
Administrative Expenses	P	12,979,050	16,860,478
Selling and Distribution Expenses	Q	9,947,122	7,949,478
Interest and Financial Charges	R	19,884,823	13,349,558
Miscellaneous Expenditure Written off		523,011	208,340
Total		<u>788,651,507</u>	<u>699,939,569</u>
Profit Before Tax and Depreciation		848,347	10,266,769
Depreciation	E	3,006,799	2,284,275
Profit Before Tax		-2,158,452	7,982,494
Provision for Taxes			
- Current Tax		1,461,614	2,647,249
- Deferred Tax			39,544
- Fringe Benefit tax			183,866
Profit after Tax		-3,620,066	2,870,659
Add: Balance Brought Forward from the Previous year		75,837,998	5,111,835
Surplus available for Appropriation		<u>72,217,932</u>	<u>69,819,215</u>
Appropriations			<u>74,931,050</u>
Capital Reserve on Capitalization of Profits			
Provision for Taxation (Earlier year)			
Balance Carried to Balance Sheet		<u>72,217,932</u>	<u>74,931,050</u>
Basic Earning Per Share of Rs.10 each (P.Y. Rs.10 each) (in Rs)			0.75
Diluted Earning Per Share of Rs. 10 each (P.Y. Rs. 10 each) (in RS)			0.75
(Refer Note NO. 7 of Schedule U)			
Significant Accounting Policies	T		
Notes on Accounts	U		
As per Our Report of even date Subbiah & Co. Chartered Accountants	For and on behalf of the Board		
	M.A.HASAN ABDUL KADER Managing Director		
M.R.Subbiah Proprietor Membership No : 15130	H.RATNAKUMAR Director		
Place : Chennai			
Date : 04.09.2010			

(Amount in Rupees)

**SCHEDULES FORMING PART OF THE CONSOLIDATED
BALANCE SHEET**

Particulars	31 st March, 2010	31 st March, 2009
SCHEDULE-A		
SHARE CAPITAL		
AUTHORISED		
5,10,00,000 Equity Shares of Rs. 10/- each	510,000,000	510,000,000
(5,10,00,000 Equity Shares of Rs. 10/- each)		
ISSUED, SUBSCRIBED AND CALLED UP		
1,00,45,000 Equity Shares of Rs.10/- each	100,450,000	100,450,000
TOTAL	100,450,000	100,450,000
SCHEDULE-B		
RESERVES AND SURPLUS		
Capital Reserve Singapore	2,145,384	2,145,384
Profit and Loss account	82,793,470	74,636,118
P & L Account Singapore	-12,720,922	-943,504
TOTAL	72,217,932	75,837,998
SCHEDULE-C		
SECURED LOANS		
From Banks (Refer Note NO.1 of Schedule U)		
-SBI-Working Capital		
Cash Credit Account	98,573,719	102,416,153
-SBI - Term Loan	NIL	4,745,040
(Secured by Hypothecation of Current Assets in the form of Raw Materials, Semi Finished Goods, Stores/Spares, Receivables and other Current Assets)		
TOTAL	98,573,719	107,161,193
SCHEDULE-D		
UNSECURED LOANS		
<u>Directors' Interest Free Loan</u>		
Hassan Abdul Khader	274,905	274,905
Ratnakumar	608,209	608,209
TOTAL	883,114	883,114

SCHEDULES FORMING PART OF BALANCE SHEET

SCHEDULE - E

FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT	Additions	Deletions /	As at	As at	For the Year	Deletions	AS AT	As at	As at
	01/04/2009		Adjustmen	31/03/2010	01/04/2009		Adjustment	31/03/2010	31/03/2010	31/03/2009
Tangible Assets										
Computers	13,998,087.00	18,389,522.00	-	32,387,609.00	12,034,231.00	1,372,311.00	-	13,406,542.00	18,981,067.00	1,963,856.00
Office Equipments	4,859,232.00	196,556.00	-	5,055,788.00	1,570,088.00	469,146.00	-	2,039,234.00	3,016,554.00	3,289,144.00
Furniture & Fixtures	2,801,394.00	315,753.00	-	3,117,147.00	2,250,456.00	148,519.00	-	2,398,975.00	718,172.00	550,938.00
Motor Vehicles	552,740.00	25,500.00	-	578,240.00	301,033.00	69,345.00	-	370,378.00	207,862.00	251,707.00
Intangible Assets										
Computer Software	1,335,099.00	1,769,096.00	-	3,104,195.00	805,009.00	911,746.00	-	1,716,755.00	1,387,440.00	530,090.00
Tally Software	141,540.00	-	-	141,540.00	52,210.00	35,732.00	-	87,942.00	53,598.00	89,330.00
Total	23,688,092.00	20,696,427.00	-	44,384,519.00	17,013,027.00	3,006,799.00	-	20,019,826.00	24,364,693.00	6,675,065.00
Previous year	22,427,806.00	1,260,286.00	-	23,688,092.00	14,728,752.00	2,284,275.00	-	17,013,027.00	6,675,065.00	7,699,054.00

SCHEDULE – F**INVESTMENTS**

CCS INFOTECH SINGAPORE PTE LTD	517,900	
Mutual funds:		
Franklin India Bluechip Fund	200,000	189,346
Franklin India Opportunities Fund	300,000	300,000
Sbi Magnum Mideap	200,000	200,000
Sbi Magnum Mmgs-93	300,000	300,000
Templeton India Ultra Short Bond Fund	650,000	650,000
Ui Infrastructure Advantage Fund	200,000	200,000
Ui Infrastructure Fund	300,000	300,000
TOTAL	<u>2,667,900</u>	<u>2,139,346</u>

SCHEDULE – G**CURRENT ASSETS****I. INVENTORIES**

Systems Integration -Finished Goods	20,303,514		19,710,466	
Stock of Materials	<u>51,211,501</u>	71,525,015	<u>128,806,232</u>	148,516,698

II. SUNDRY DEBTORS

(Unsecured)

Debts outstanding for period exceeding six months				
- Considered good	40,527,087		12,150,000	
Other Debts – Less than Six months	<u>160,345,382</u>	200,872,469	<u>260,609,482</u>	272,759,482

III. CASH AND BANK BALANCES

Cash on Hand	88,748		216,249	
Balance with Scheduled Banks				
i) Current Account	<u>44,39,303</u>		<u>3,036,661</u>	
		<u>4,528,051</u>		<u>3,252,910</u>
TOTAL		<u>276,925,535</u>		<u>424,529,090</u>

SCHEDULE – H**LOANS AND ADVANCES**

(Unsecured and Considered Good)

Advances recoverable in cash or in kind or for

Value to be received	-4,635,602		34,769,163	
Deposits			20,726,845	
Balance with Central Excise Authorities	<u>5,797</u>	-4,629,805	<u>5,872</u>	55,501,880
Vat Input Tax Credit-Chennai		45,813		4,033,754
Cenvat Credit-Pondy		2,779,718		2,314,679
Prepaid Expense - Certification Fees				470,042
Advance Tax & TDS		<u>8,840,514</u>		<u>6,681,961</u>
TOTAL		<u>7,036,240</u>		<u>69,002,316</u>

SCHEDULE -I
CURRENT LIABILITIES

Sundry Creditors

Micro, Medium and Small Scale Industries

Creditors for Expenses	41,889		145,875	
Creditors for Goods	93,778,909		153,120,726	
Creditors for Others	2,526,293		80,958,276	
TOTAL		<u>96,347,091</u>		<u>234,224,877</u>

SCHEDULE -J

PROVISIONS

for Income tax		2,050,361		4,528,569
for Fringe Benefit Tax		mhk		183,866

TOTAL		<u>2,050,361</u>		<u>4,712,435</u>
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SCHEDULE -K

MISCELLANEOUS EXPENDITURE

(to the extent not written off or adjusted)

I. PRELIMINARY EXPENDITURE

Opening Balance	15,717		50,338	
Less: Written off during the year	<u>15,717</u>	NIL	<u>34,621</u>	15,717
II. Interior Decoration				
Opening Balance	698,193		490,100	
Incurred during the year			<u>376,095</u>	866,195
Less: Written off during the year	467,473		173,719	
Less disposed off			10,000	<u>183,719</u>
		<u>230,720</u>		<u>698,193</u>

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR 2009-10		(Amount in Rs.)
Particulars	31st March, 2010	31st March, 2009
A. Cash Flow From Operating Activities		
Net Profit Before Tax	-2,158,452	7,982,494
Adjustments for:		
Depreciation	3,006,799	2,284,275
Preliminary Expenses Written Off	507,766	208,340
Interest Paid	19,813,456	13,349,558
Interest Received	-199,856	-1,996,552
Sub Total	23,128,165	13,845,621
Operative Profit Before Working Capital Changes	20,969,713	21,828,115
Adjustment For:		
Decrease / (Increase) in Inventories	76,991,683	-58,712,223
Decrease / (Increase) in Trade and other Receivables	72,205,748	-171,037,392
Decrease / (Increase) in Loans & Advances	3,457,385	8,218,072
Increase / (Decrease) in Provisions	-2,662,074	\ -ã
Increase / (Decrease) in Trade Payables	-138,196,521	176,201,546
Sub Total	11,796,221	-45,329,997
Cash Generated from Operations	9,173,492	-23,501,882
Prior Period Expenses /Taxes	0	39,544
Direct Tax and Fringe Benefit Tax Paid	1,571,263	2,831,115
Sub Total	1,571,263	2,870,659
Net Cash From Operating Activities (A)	7,602,229	-26,372,541
B. Cash Flow From Investing Activities		
Purchase of Fixed Assets	19,323,704	-5,464,124
Increase in Investments & interior Decoration		-859,559
Interest Received	199,856	1,996,552
Sale of Fixed Assets		10,000
Net Cash used in Investing Activities (B)	19,523,560	-4,317,131
B. Cash Flow From Financial Activities		
Proceeds From Issue of Share Capital		
Increase / Decrease of Borrowing	-8,587,474	45,093,850
Interest Paid	-19,813,456	-13,349,558
Dividend Distribution Tax Paid (Including Interest thereon)		
Net Cash from / used in financial activities (C)	-28,400,930	31,744,292
Net Increase in Cash and Cash Equivalents (A+B+C)	1,275,141	1,054,620
Cash and Cash Equivalent at Beginning of the year	3,252,910	2,198,290
Cash and Cash Equivalent of the	4,528,051	3,252,910
Notes:	0	0
Previous year figures have been regrouped, reclassified wherever applicable		
As per Our Report of even date		
Subbiah & Co.Q		
Chartered Accountants		
M.R.Subbiah		
Proprietor		
Membership No : 15130		
Place : Chennai		
Date : 04.09.2010		

BALANCE SHEET ABSTRACTS AND GENERAL BUSINESS PROFILE

i. Registration Details			
CIN/ Registration Number	State code		
L72300TN1997PLC039682	18		
Balance Sheet Date	31-Mar-10		
ii. Capital Raised During the Year			
Public Issue	Nil	Bonus Issue	Nil
Right Issue	Nil	Private Placement	Nil
iii. Position of Mobilization and Deployment of Funds (Amt. in Rs. 000₹)			
Total Liabilities	277,021	Total Assets	277,021
Source of funds			
Paid up capital	100,450	Reserves and Surplus	72,217
Secured Loans	98,573	Unsecured Loans	883
Deferred tax liability	4,896	Share Warrants	
Application of Funds			
Fixed Assets (Net)	24,364	Investments	2,667
Net Current Assets	249,757	Miscellaneous Expenditure	230
iv. Performance of the Company (Amt. in Rs.000₹)			
Turnover	789,499	Total Expenditure	788,651
Profit before tax	843	Profit after tax	-3,620
Basic Earnings Per Share (Rs.)	NIL		
Diluted Earnings Per Share (Rs.)	NIL	Dividend Rate (%)	0%
v. General Name of Principle Products			
Item Code No. (ITC Code)			
Product Description	Computer & Computer Peripherals		
For and on behalf of the Board			
M.A. HASAN ABDUL KADER Managing Director,			
Place : Chennai	H. RATNAKUMAR		
Date : 04.09.2010	Director		

SCHEDULE –T

SIGNIFICANT ACCOUNTING POLICIES TO THE CONSOLIDATED BALANCE SHEET AND PROFIT & LOSS ACCOUNT

1. PRINCIPLES OF CONSOLIDATION

The Consolidated financial statements relate to CCS INFOTECH LIMITED ('the Company') and its subsidiary company CCS INFOTECH SINGAPORE PTE LTD. THE Consolidated financial statements have been prepared on the following basis:

- a. The financial statements of the Company and its subsidiary company are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS)21 – "Consolidated Financial Statements".
 - b. In case of foreign subsidiary, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Exchange fluctuation reserve.
 - c. The difference between the cost of investments in the subsidiary over the net assets at the time of acquisition of shares in the subsidiary is recognised in the financial statements as Goodwill or Capital Reserve as the case may be
 - d. As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
2. Investments over than in subsidiary and associates have been accounted as per Accounting Standards (AS) 13" Accounting for investments".
 3. Other Significant Accounting Policies
These are set out under "Significant Accounting Policies" as given in the Standalone Financial Statements of CCS INFOTECH LIMITED

SCHEDULE – U

NOTES ON ACCOUNTS TO CONSOLIDATED BALANCE SHEET AND PROFIT & LOSS ACCOUNT

1. The subsidiary Company considered in the consolidated financial statements are:-

Name of the Subsidiary	Country of Incorporation	Ownership interest %
CCS INFOTECH SINGAPORE PTE. LIMITED	SINGAPORE	100%

2. The significant Associate companies not considered in the consolidated financial statements are:

Name of the Associate	Country of Incorporation	
GAGAN MEDIA PRIVATE LIMITED	INDIA	
AERONET TECHNOLOGIES PRIVATE LIMITED	INDIA	

3. Details of Auditors Remuneration:

(Amount in Rupees)

	Particulars	2009-10	2008-09
i	Audit Fees	1,55,000	225,596
ii	Tax Audit Fees	25,000	25,000
iii	Certification / Consultation Fees	50,000	282,024
iv	Out of Pocket Expenses	7,000	
v	Service Tax	-	-
	Total	2,37,000	532,620

4. Details of Managerial remuneration:

a.	Remuneration to whole time directors:		
	Particulars	2009-10	2008-09
i	Salaries, Bonus and Perquisites	1,200,000	1,200,000
ii	Company's Contribution to Provident fund	-	-
iii	and other fund		
	Provision for Gratuity	-	-
	Total	1,200,000	1,200,000

b.	Remuneration to non-whole time directors:	2009-10	2008-09
i	Directors' sitting fees	7,500	7,500
ii	Commission to Non-executive Directors	-	-
		7,500	7,500

Computation of net profit in accordance with Section 198 read with Section 309(5) of the Companies Act, 1956:

(in Rs.)

Particulars	2009-10	2008-09
Profit before taxation		7,982,494
Add:	2,158,452	2,284,275
Depreciation as per accounts	3,006,799	253,500
Donation considered separately	Nil	
	848,347	10,520,269
Less:		
Depreciation as Per Section 305 of the Companies Act, 1956	3,006,799	2,284,275
		-
Net Profit as per Section 198 of the Companies Act, 1956	2,158,452	8,235,994
Remuneration Payable to Non Whole time Directors		
- Maximum permissible remuneration @ 1% of the profits computed above	Nil	110,915
- Remuneration amount paid / provided restricted to Rs.	Nil	Nil
Remuneration Payable to Whole time Directors		
- Maximum Permissible remuneration @ 10% of the profits computed above	Nil	1,109,148
- Remuneration amount paid / provided restricted to Rs.	1,200,000	1,200,000

5 a. Provision for Taxation:

Provision for taxation for the current Year has been made for Rs.1,461,614

(Previous Year Rs.2,870,659).

b. Deferred Tax:

During the year, the Company has reviewed the deferred tax assets/liabilities. The timing differences mainly arising on account of depreciation has given rise to net deferred tax liability amounting to Rs.48.96 Lakhs. (Previous Year Rs.50.06 Lakhs).

	Particulars	2009-10	2008-09
a.	Deferred Tax Liability		
	i Opening Deferred Tax Liability	5,005,916	5,015,889
	Total	-	-
		5,005,916	5,015,889
b.	Deferred tax Liability		
	i Related to Fixed Assets	-109,649	-9,973
	Total		
		4,896,267	5,005,916
c.	Deferred tax Liability (net)	4,896,267	5,005,916

5. Calculation of Earning per share:

		(Amount in Rupees)	
	Particulars	2009-10	2008-09
a.	Net Profit available for equity share holders (Amount in Rupees)	-3,620,066	5,111,835
b.	Basic Weighted Average No. of Equity Share (Nos.)	10,045,000	10,045,000
c.	Diluted Weighted Average No. of Equity shares (Nos.)	10,045,000	0.50
d.	Basic Earning per share of Rs.10 each (P.Y. 10 each)	NIL	0.50
	Diluted Earning per share of Rs.10 each (P.Y. 10 each)		

6. As per Accounting Standard 18, issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below:

List of related parties with whom transactions have taken place and relationships:
(As certified by the management)

Subsidiary Companies

Name of the Related Party	Nature of Relationship
CCS Infotech Singapore Pte Ltd	Wholly Owned Subsidiary

Associate Companies:

Name of the Related Party	Nature of Relationship
1 Gagan Media Pvt Ltd	Enterprise managed by relatives of key Management Personnel
2 Aeronet Technologies Pvt Ltd	Enterprise managed by relatives of key Management Personnel

Key Management Personnel with Nature of Relationship

Name of the Related Party	Nature of Relationship
1 Mr. H Ratna Kumar	Executive Director
2 Mr. M.A. Hasan Abdul Kader	Managing Director

Relatives of Key Management Personnel with Nature of Relationship

Name of the Related Party	Nature of Relationship
1 Smt Rahmath Mushina	Wife of Managing Director
2 Smt SuganyaS	Wife of Executive Director

Details of the transactions are as follows: (Amount in Rupees)

Particulars	2009-10	2008-09
1. Loan from Key Management Personnel		
a. Mr.M.A.Hasan Abdul Kader, Managing Director		
Balance as on 31-03-2009	274905	274905
Balance as on 31-03-2010	274905	274905
b. Mr.H.RatnaKumar, Executive Director		
Balance as on 31-03-2009	608209	608209
Balance as on 31-03-2010	608209	608209
2. Remuneration to key Management Personnel		
Mr.M.A.Hasan Abdul kader, Managing Director	600000	600000
Mr.H.RatnaKumar, Executive Director	600000	600000
3. Travelling Expenses to Key Management personnel	75733	391825
4. Transactions with Associate Companies		
a. Aeronet Technologies Pvt Ltd		
Balance as at the begining Cr Bal		
Advances received during the year	2934889	14229026
Advances repaid during the year		14229026
Balance as at the closing Dr. Bal	2934889	0
b. Gagan Media Pvt. Ltd	0	
Balance as at the begining Cr Bal		
Advances received during the year	2411054	16350156
Advances repaid during the year	0	16350156
Balance as at the closing	2411054	0

12. Balance in Sundry debtors, loans and advances and other current assets are subject to confirmation. The company had initiated the process of obtaining confirmations during the year and partially obtained confirmations from third parties for the balances at the end of the year. In the opinion of the management the balances outstanding are good are recoverable and no provision is foreseen in respect of the same.

13. Segment Reporting (AS-17)

The Company has its manufacturing operations at Pondicherry. The Company has its Systems Integration & Retail operations in Chennai and other parts of India for Computers, Computer Peripherals, Software and consumables. Segments have been identified and reported taking into account nature of products and services, the differing risks and returns and the internal business reporting system. The accounting policies adopted for segment reporting are in line with accounting policy of the Company.

Segment wise revenue and results

(Rs. in Lakhs)

Particulars	Retail Segment	Systems Integration	Manufacturing	Total
Segment Revenue	5425.20	1154.32		
Segment Expenses	5422.96	1073.62		
Segment Results	2.24	80.70		

11. Income Tax, Excise Duty & Cess

Income Tax

Assessment Year 2003-2004

The Company has declared a taxable income of Rs.56.43 Lakhs (as per MAT provisions) and paid the tax amounting to Rs. 15.67 Lakhs. In the assessment, an additional demand of Rs.15.67 Lakhs was raised against which an appeal had been made by the Company. Company has paid the amount and preferred an appeal with the Appellate Tribunal. The Appellate Orders are in the favour of the Company and the appeal has been remitted back for consideration. Again the Assessing officer has passed an order in favour of the department.

Assessment Year 2005-06

The Company has declared a Taxable income of Rs. 100 Lakhs (as per MAT provision) and paid a Tax of Rs. 10 Lakhs. In the assessment, Tax was arrived at Rs. 10 Lakhs. Against this assessment the company filed a rectification petition u/s 154 of the Income Tax Act. The orders are awaited.

Assessment Year 2007-08

The Company has declared a Taxable income of Rs. 100 Lakhs (as per MAT provision) and paid a Tax of Rs. 10 Lakhs. In the assessment, the assessing officer has apportioned some expenses in Pondicherry manufacturing unit books and has raised an additional demand of Rs. 10 Lakhs on the Company. Company has preferred an appeal against the order to Commissioner Appeals.

Excise Duty

The Company has paid a sum of Rs. 650000/- during the Assessment year 2002-2003 under protest and the Excise Authorities had collected a sum of Rs.650000/- from the customers directly, without even informing the Company. The customers have informed the same and adjusted against the claims payable to the Company. In addition to that, show cause notice had been issued by the Department on various issues. The Honourable Tribunal has allowed the appeals and the company has received an order in its favour. The company has received a sum of Rs. 650000/- as refund and the balance payment of Rs. 10 Lakhs was transferred to Consumer Welfare account. The Company has filed an appeal with the Commissioner of Excise (Appeals) in this regard and orders were passed in favour of the company and the company has received Rs. 10 Lakhs as refund.

The Department has issued a show cause notice to the Company for Rs. 10 Lakhs and the same is confirmed by the Assistant Commissioner in his order and the company has preferred an appeal before The Commissioner of Central Excise (Appeals).

14. The Whole time Company Secretary has resigned and the company is in the process of recruiting whole time Company Secretary.

As per my Report of even date
Subbiah & Co.Q
Chartered Accountant

for and on behalf of the Board

Mr.M.A.Hasan Abdul Kader
Managing Director

M.R.Subbiah
Proprietor
Membership No: 15130

Mr.H.RatnaKumar
Director

Place : Chennai
Date : TUST

PROXY FORM

CCS INFOTECH LIMITED

Regd Office: Flat \ 8S7, Ill rd Floor, "CCS TOWERS", \ 8S14, Periyar Road, T.Nagar, Chennai 600 017

DP ID

Client ID

Registered Folio No.

No. of Shares

I/We _____ Name (s) in Full _____

_____ Father/Husband's Name _____ d° dress as registered with the Company being a member(s) of CCS INFOTECH LIMITED do hereby appoint _____ of _____ in the district of _____ (or failing him _____ of _____ in General Meeting of the Company scheduled to be held on Thursday, the 30th day of September, 2010 at 10.00 a.m. at the registered office of the Company and at any adjournment thereof.

Affix
Re.1
Revenue
Stamp

Signed by the said _____ this _____ day of _____ 2010

-as applicable for investor holding shares in physical form

Note: The proxy form duly completed must be deposited so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

CCS INFOTECH LIMITED

Regd Office: Flat No-7, Illrd Floor, "CCS TOWERS", No-14, Periyar Road, T.Nagar, Chennai - 600 017

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP BEFORE YOU COME TO THE MEETING AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

DP ID

Client ID

Registered Folio NO.

\ 8S of Shares

Name(s) in Full

Father/Husband's Name

Address as registered with the Company

I hereby record my presence at the 13th Annual General Meeting of the Company at Flat No-7, Illrd Floor, "CCS TOWERS", NO-14, Periyar Road. T.Nagar, Chennai-600017 on Thursday the 30th day of September, 2010 at 10.00 a.m. at the registered office of the Company and at any adjournment thereof.

Member's / Proxy's Signature

-as applicable for investor holding shares in physical form

BOOK POST

If undelivered, please return to:

Registered Office:

CCS INFOTECH LIMITED
Flat \ 857, IIIrd Floor,
"CCS TOWERS"
No.14, Periyar Road,
T.Nagar,
Chennai - 600 017.