

ANNUAL REPORT

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LCC Infotech Limited

For LCC INFOTECH LTD.

LCC INFOTECH LIMITED

The 13th Annual Report 1998-99

BOARD OF DIRECTORS

MR. SURESH CHANDRA LAKHOTIA
Chairman-cum-Managing Director

MRS. KIRTI LAKHOTIA

MR. SIDDHARTH LAKHOTIA

MR. SUKUMAR BHATTACHARYA

MR. NARAYAN PRASAD JAIN

MR. SANTOSH KUMAR JAIN

MR. S. M. DEVADASON

AUDITORS

P. K. AJITSARIA & CO.

WHITE TOWERS,

115, COLLEGE STREET

CALCUTTA-700 0012

BANKERS

CANARA BANK

HSBC CORPORATION LTD.

BANK OF BARODA

KARNATAKA BANK LTD.

REGISTERED OFFICE

P - 16, C. I. T. ROAD

CALCUTTA-700 014

PHONE : 033 244 1738/3527, 245 4066/7905

FAX : 033 245 4015/7903

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WEBSITE : www.lccinfotech.com

NOTICE

NOTICE is hereby given that the 13th Annual General Meeting of the Members of LCC Infotech Ltd. will be held at Somani Conference Hall, Merchant's Chamber of Commerce, 15B, Hemanta Basu Sarani, Calcutta - 700 001 on Saturday, 21st day of August, 1999 at 2.00 p. m. to transact the following business :

Ordinary Business :

1. To receive, consider, approve and adopt the audited Balance Sheet of the Company as at 31st March, 1999 and Profit & Loss Account for the year ended on that date together with Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Santosh Kumar Jain who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Siddharth Lakhotia who retires by rotation and being eligible, offers himself for re-appointment.

Special Business :

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

"RESOLVED THAT M/s. Price Waterhouse, Chartered Accountants, Calcutta, be and are hereby appointed as Auditors of the Company at a remuneration as may be decided by the Board of Directors."

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

"RESOLVED THAT Mr. Narayan Prasad Jain who was appointed as an additional Director of the Company by the Board of Directors and who holds office upto the date of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956 and being eligible offers himself for re-appointment and in respect of whom the Company has received valid nominations in writing from a member proposing his candidature for the office of the Director, be and is hereby appointed as a 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 Special Resolution :

"RESOLVED THAT Mr. S. M. Devadason who was appointed as an additional Director of the Company by the Board of Directors and who holds office upto the date of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956 and being eligible offers himself for re-appointment and in respect of whom the Company has received valid nominations in writing from a member proposing his candidature for the office of the Director be and is hereby appointed as a Director of the Company liable to retire by rotation."

7. To consider and if thought fit, to pass with or without modification, the following Resolution as a Special Resolution :

"RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association be altered in the following manner :

The following new Article 30A with marginal note as indicated be inserted after the existing Article 30.

30A. Dematerialisation of Security

For the purpose of this Article, unless the context otherwise requires :

A. Definitions :

Member : 'Member' means a person who holds any shares in the Company and includes a duly registered holder from time to time of the shares of the Company and includes every person holding Equity share Capital of the Company and the person whose name is entered as a beneficial owner in the records of a Depository shall be deemed to be a member of the Company ;

Beneficial Owner : 'Beneficial Owner' means the beneficial owner as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996 ;

Bye Laws : 'Bye-laws' means bye-laws made by a Depository under Section 26 of the Depositories Act, 1996 ;

Depository Act : 'Depository Act' means the Depositories Act, 1996, and any statutory modification or re-enactment thereof for the time being in force ;

Depository : 'Depository' means a company formed and registered under the Companies Act, 1956 (1 to 1956) (the Act) and which has been granted a certificate of registration under sub section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992 (15 of 1992) ;

Record : 'Record' include the records maintained in the form of books or stored in a computer or in such other form as may be determined by the regulations made by SEBI ;

Regulations : 'Regulations' means the regulations made by SEBI ;

SEBI : 'SEBI' means the Securities and Exchange Board of India ;

Security : 'Security' means such security as may be specified by SEBI from time to time ;

B. Dematerialisation of Securities :

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its shares, debentures and other securities(both existing and future) held by it with the Depository and to offer its shares, debentures and other securities for subscription in a dematerialised form pursuant to the Depositories Act, 1996 and the Rules framed thereunder, if any ;

C. Option for Investors :

Every person subscribing to securities offered by the Company shall have the option to receive the security certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the securities can at any time opt out of a Depository, if permitted by law, in respect of any security in the manner and within the time prescribed, issue to the beneficial owner the required certificate of securities.

Where a person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of such information, the Depository shall enter in its record the name of the allottee as the beneficial owner of the security ;

D. Securities in Depositories to be in fungible form :

All securities held by a Depository shall be dematerialised and shall be in fungible form. Nothing contained in Section 153, 153A, 153B, 187A, 187B, 187C and 372 of the Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owner ;

E. Rights of Depositories and Beneficial Owners :

- i. Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner ;
- ii. Save as otherwise provided in (i) above, the Depository as a registered owner of the securities shall not have any voting rights or any other right in respect of the securities held by it ;
- iii. Every person holding securities of the Company and whose name is entered as a beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities held by a Depository.

F. Depository to furnish information :

Notwithstanding anything to the contrary contained in the Act or these Articles, where the securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies and discs.

G. Option to opt out in respect of any security :

If a beneficial owner seeks to opt out of a Depository in respect of any security, the beneficial owner shall inform the Depository accordingly. The Depository shall, on receipt of the intimation as above, make appropriate entries in its record and shall inform the Company accordingly.

The Company shall within thirty(30) days of the receipt of intimation from the Depository and on fulfillment of such conditions and on payment of such fees as may be specified to the regulations, issue the certificate of securities to the beneficial owner or the transferee as the case may be.

H. Section 83 and 108 of the Act not to apply :

Notwithstanding anything to contrary contained in the Articles :-

- i. Section 83 of the Act shall not apply to the shares with a Depository;
- ii. Section 108 of the Act shall not apply to transfer of security effected by the transferor and the transferee both of whom are entered as beneficial owners in the records of a Depository.

I. Register and Index of Beneficial Owners :

The Register and Index of beneficial Owners, maintained by a Depository under Section 11 of the Depositories Act shall be deemed to be the Register and Index of Members and Security holders as the case may be for the purposes of these Articles.

LCC INFOTECH LIMITED**J. Intimation to Depository :**

Notwithstanding anything contained in the Act or these Articles, where securities are dealt with a Depository, the Company shall intimate the details of allotment of securities thereof to the Depository immediately on allotment of such securities.

K. Stamp duty on securities held in dematerialised form :

No stamp duty would be payable on shares and securities held in dematerialised form in any medium as may be permitted by law including any form of electronic medium.

L. Applicability of the Depositories Act :

In case of transfer of shares, debentures and other marketable securities, where the Company has not issued any certificate and where such shares, debentures or securities are being held in an electronic and fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply.

M. Company to recognise the rights of Registered Holders as also the Beneficial Owners in the Records of the Depository ;

Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share, as also the beneficial Owner of the shares in records of the Depository as the absolute owner thereof as regards receipt of dividends or bonus or service of notices and all or any other matters connected with the Company, and accordingly, the Company shall not, except as ordered by a Court of competent jurisdiction or as by law required, be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of no other person whether or not it shall have express or implied notice thereof.

"AND RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do and perform all such acts, deeds, matters and things as may be necessary to give effect to this resolution."

Registered Office :

P-16, CIT Road,
Calcutta - 700 014

Date : 28th day of June, 1999

By Order of the Board

SURESH CHANDRA LAKHOTIA
Chairman-cum-Managing Director

NOTES :

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and proxy need not be a member of the Company.
2. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business as Items No. 4, 5, 6 & 7 are annexed hereto.
3. The Register of Members and the Transfer Books of the Company will remain closed from 17th August, 1999 to 21st August, 1999 (both days inclusive).

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956
Item No. 4 :

M/s. P. K. Ajitsaria & Co., Chartered Accountants, Calcutta have submitted their resignation from auditorship of the Company vide letter dt. 17th June, 1999. The Board of Directors of the Company has received a proposal from a member to appoint M/s Price Waterhouse, as the auditors of the Company. The Company has received Certificate dt. 24th June, 1999 from M/s. Price Waterhouse that the appointment, if made will be in accordance with the limits prescribed under Section 224(1-B) of the Companies Act, 1956. The Board of Directors of the Company recommend the appointment of M/s Price Waterhouse as auditors of the Company.

None of the Directors may be deemed to be interested in the aforesaid resolution.

Item No. 5 & 6 :

Shri Narayan Prasad Jain and Shri S. M. Devadason were appointed as additional Directors on 16th April, 1999 under section 260 of the Companies Act, 1956.

Shri Narayan Prasad Jain is a renowned Tax Consultant and author of many books on Taxation. Shri S. M. Devadason is a Management Consultant by profession. The induction of these persons in the Board will certainly prove beneficial to the Company in its day-to-day management.

The Company has received valid nominations from members proposing the candidature of Mr. Narayan Prasad Jain & Mr. S. M. Devadason for the office of Director.

None of the Directors other than Shri Narayan Prasad Jain and Shri S. M. Devadason are concerned or interested in the said Resolution.

Item No. 7 :

With the introduction of the Depositories Act, 1996 and Depository System, some of the provisions of the Companies act, 1956 relating to the issue, holding, transfer, transmission of shares and other securities have been amended to facilitate the implementation of the new system involving dematerialisation.

The Depository System is a safer and more convenient method for holding and trading in shares and securities of the Company.

The Company also proposes to join the Depository System and it is, therefore, proposed that the Company's Articles of Association be suitably amended as set out in the Special Resolution at item No. 7 to reflect the provisions of the Depositories Act, 1996 and to indicate therein the rights of the beneficial owners of the securities in such a system.