

SANSCO SERVICES Annual Report 2000-2001

LCC Infotech Ltd

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**ANNUAL REPORT
2000-2001**

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Registered Office:

LCC Infotech Limited
P-16 CIT Road
Kolkata 700014, India

Tel: +91-33-245 7904/5
Fax: +91-33-245 0345

Corporate Office:

LCC Infotech Limited
BE 73, Sector-I, Saltlake,
Kolkata 700064, India.

Tel: +91-33-359 2668/9
Fax: +91-33-358 7290

LCC Corporate Website:
<http://www.lccinfotech.com>

BOARD OF DIRECTORS

MRS. KIRTI LAKHOTIA, Managing Director
MR. SATISH CHANDRA LAKHOTIA, Executive Director
MR. SUKUMAR BHATTACHARYA
MR. S M DEVADASON
MR. PRAVEEN JAIN
MR. SIDHARTH LAKHOTIA

COMPANY SECRETARY

MR. J. DUTTAGUPTA

AUDITORS

PRICE WATERHOUSE

REGISTRAR AND SHARE TRANSFER AGENT

MAHESHWARI DATAMATICS PVT LTD
6, MANGOE LANE, 2ND FLOOR,
Kolkata 700 001.
email: mdpl@cal.vsnl.net.in

BANKERS

THE HONGKONG & SHANGHAI BANKING CORPN LTD
VYSYA BANK LTD
STATE BANK OF INDIA
CANARA BANK
BANK OF BARODA

REGISTERED OFFICE

P-16, CIT Road, KOLKATA – 700 014.
Ph: (033) 245 7904/7905
Fax: (033) 245 0345

CORPORATE OFFICE

BE-73, Sector-I, Salt Lake City, KOLKATA-700064.
Ph: (033) 359 2668/2669
Fax: (033) 358 7290

Website: <http://www.lccinfotech.com>
Email: corporate@lccinfotech.com

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Managing Director's message

Dear Shareholder,

It's time to set the record straight. Long before others even added the word "Information Technology" to their vocabulary, we were busy creating professionals for the industry.

Year after year your Company has grown, creating a wealth of expertise, experience, technologies, ideas & emotions.

It has further enriched the lives of the students who enrolled with us, the professionals who work with us, the franchisees who are our network, and the shareholders who have invested in us.

You will notice as you read on, that in the year gone by, LCC has moved up several notches on all scores of performances. The year saw your Company's total revenue grow by 64% and the network spread by 24%.

In the year gone by your company launched the much desired training division for kids. Branded as LCC4KIDZ, this division rapidly expanded to 12 centres in a span of 3 months with a focus on 100 such centres by the year-end.

So, where are we headed?

Technologies are changing rapidly. New business segments are emerging every month. The constant demand-supply imbalances in the global market offer great opportunity to leverage our expertise to provide effective learning solutions and software services.

In the year ahead, we plan to consolidate our presence in the country and expand overseas. We intend to launch a new business unit – Medical Informatics, taking us closer to our goal of being the complete IT education & service providers. From K-12 to Colleges, career programmes to customised e-learning solutions for the corporates, and general IT training to industry specific IT solutions.

We are confident that with your continued support, the future at LCC will be very rewarding and, infinitely exciting.

Stay with us.



Kirti Lakhota
Managing Director

LCC INFOTECH LIMITED

DIRECTORS' REPORT

To the Members,

The Directors have pleasure in presenting their 15th Annual Report on the business and operations of your Company together with the Audited Financial Results for the year ended 31st March, 2001.

1. Financial Highlights

The working result of the Company for the year stand as under:

<i>(Amount in Rs. '000)</i>		
	FOR THE YEAR ENDED 31 ST MARCH 2001	FOR THE YEAR ENDED 31 ST MARCH 2000
Profit for the year	56,063	1,34,036
Less: Tax Provision for the year	2,194	15,277
Profit after Taxation	53,869	1,18,759
Less: Transfer to Reserve	-	7,500
	53,869	1,11,259
Add: Balance (cr.) brought forward	1,12,479	1,220
Balance carried forward to Balance Sheet	1,66,348	1,12,479

2. Business Restructuring

To make your Company an end to end IT solutions player opening new vistas in development and to leverage the new skills and expanded client base for enhancing its business, it has been proposed for an investment plan of Rs. 60 Crores for the recent fiscal. Your Company is also in talks with some leading US based investors to bring in funds for various projects. The Company is further investing approximately Rs. 4 Crores in setting up residential training centre at Durgapur to meet the demand for highly intensive training programme. While the plans to tap the IT training and for skill upgradation an alliance is being worked out with some leading concerns. Your Company is further setting up a Software development centre with focus on web-based technologies at Salt Lake Electronics Complex in Calcutta. The project, a three tower 12 storied building will be built over 1.2 Lakh square feet at an estimated cost of Rs. 41 Crores Land for this purpose has already been acquired in the Salt Lake Electronics Complex in the city.

LCC is currently the third largest private player in the country in IT Training with around 812 franchisee outlets and also its presence in Software Development.

3. Prospects For The Current Year

Your Company has bagged a Rs. 150 Crores Educational Project of the Orissa Govt. under which LCC along with the State Govt.'s nodal agency Orissa Computer Academy will provide course, curriculum, faculty and equipment for introducing Computer and IT Training in over 1,000 schools over the next five years. Under this agreement with the Orissa State Govt. your Company will be imparting elementary level computer education and training in 1028 Govt. aided schools spread through out the state which aims for training around 20 Lacs students. It already has centres in 62 schools while others will be covered in different phases. The project which is a part of IT education recommended by Prime Ministers' Task Force on IT will be completed by December 2001. Your Company has identified over 200 centres for imparting training and over 400 faculties will be imparting computer training in these schools. From the point of view of return, it is expected of an average of 300 students per month for the course in every school.

Your Company also is in talks with the State Govt. of West Bengal for similar project. Apart from this, the company is looking at the possibility of introducing Computer Education in Colleges too.

During the year, your Company launched its LCC 4 KIDZ, DIVISION in Kolkata, which aims to enhance a child's talent using information technology. The new education division for the kids aims to enrich new innovation and creativity for those who are in the junior age group of 4 to 14 years. This division LCC 4 KIDZ will generate IT professionals for tomorrow. The courses to be offered under this area have been designed by eminent Child Psychologist and Educationist and your Company will be having an initial investment of approximately Rs. 2 Crores in the area of manpower, technology, brand building and network establishment with an estimated revenue generation of Rs. 4.5 Crores.

Your Company's growth agenda are to enter the IT retraining space and Medical Informatics (MI). The medical informatics foray includes area like hospital and patient management, medical billing and coding and other related activities. The company is looking at a complete health information management system that includes hospital, Pharmacy, telemedicine, and software for Doctors. Your Company is currently in talks with City University, Singapore for an alliance to provide industry ready professionals in the field of medical informatics. Medical informatics will soon be the fifth division within the LCC Group. The Company has already opened its first MI Division in Kolkata and has assured for a better quality training for those who pursued MI training.

Your Company proposes decisive thrust in the areas of software development with emphasis on e-Commerce and web-enabled solution. The Company is also rapidly becoming paperless in terms of internal reporting, monitoring and supply chain management (SCM) as also customer relations management (CRM) linking our franchisees and the thousands of students enrolled with us.

4. Capital Structure

During the year, the Paid Up Capital base of the Company has been increased from Rs. 20,81,86,700/- to Rs. 25,31,86,700/- by conversion of 45,00,000 Equity Share Warrants to equity Shares of Rs. 10/- each. The proposal to issue and allot the above shares is a strong indication of management's confidence in the future of the Company and its ability to adequately service the increased Equity base.

5. Dividend

The Directors have decided to utilise the greater part of the profit after tax to fuel the considerable expansion plans of the company, both nationally and internationally. At this key stage of the company's growth the Directors have, therefore, decided, in view of exciting future prospects, to forego declaration of Dividend in respect of this financial year under review.

6. Directors

In accordance with the provisions of the Companies Act, 1956 and the Articles & Association of the company, Mr. S. M. Devadason and Mr. Satish Chandra Lakhota retires from office by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

7. Auditors

M/s. PriceWater House Chartered Accountants, will retire as auditors at the conclusion of the forthcoming Annual General Meeting of the Company and being eligible offer themselves for reappointment. Members are requested to consider their reappointment for the Financial Year 2001-2002 on remuneration to be decided by the Board of Directors.

8. Human Resource Development

Your Company continues to focus on Human Resource Development for remaining at the cutting edge in a rapidly changing globally competitive business environment. A series of innovative HR measures have been launched towards creation of a working environment in which every employee of the Company irrespective of levels, can contribute his/her best.

9. Depository System

Your Company has already entered into agreements with Central Depository Services (India) Ltd. and also in addition to the National securities Depository Ltd. (NSDL) for dematerialisation of your Company's Equity Shares and to establish electronic connectivity. Investor's now have the option to operate through the Depositories on a competitive basis, based on tariff, quality and range of services offered by the concerned Depository Participants.

10. Subsidiary Company

The Audited Annual Accounts for the Financial Year ending 31.03.2001 along with the Auditor's and Director's Report thereon of eLCC.Info.com Ltd., a Subsidiary of your Company are annexed to this report as required under section 212 of the Companies Act, 1956.

11. Fixed Deposits

The Company has not accepted or invited any deposits from the Public and as such no amount of principal or interest was outstanding during the year 2000-2001.

12. Listing

Your Company's shares are listed at The Calcutta Stock Exchange Association Limited, The Stock Exchange, Mumbai, The National Stock Exchange of India, The Delhi Stock Exchange Association Ltd. and The Ahmedabad Stock Exchange Ltd

13. Particulars of Employees

None of the employees of the Company is covered under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules, 1975.

14. Particulars pursuant to Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988: -

The Company does not have any manufacturing activity and hence the provision of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 does not apply to the Company. The details of the foreign exchange earnings and outgo are given in details in para 10 & 11 of *Schedule 22*-Notes to the Accounts, forming part of the Balance Sheet.

15. Audit Observations

The observations of the Auditors are duly dealt in Notes of Accounts attached to the Balance Sheet and are self explanatory in nature.

16. Directors' Responsibility Statement

The Directors confirm pursuant to the provisions of section 217 (2AA) of the Companies Act, 1956,

- that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 31st March 2001 and of the profit or loss of the Company for that period;
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the Directors have prepared the annual accounts on a going concern basis.

17. Audit Committee

The Audit Committee constituted by the Board of Directors on 5th January 2001 consists of three Directors, namely, Mr. Sukumar Bhattacharya, Mr. S. M. Devadason and Mr. Sidharth Lakhota. The constitution of the Audit Committee meets with the requirements of Section 292A of the Companies Act, 1956 as introduced by the Companies Amendment Act, 2000.

18. Acknowledgement

Your Directors place on record their appreciation for the support extended by customers, investors, bankers, business associates, vendors and various Govt. agencies. Your Directors would also like to place on record the outstanding contribution made by the associates at all levels for the success of your Company during the year. The co-operation and services of staff members and alliance partners are also earnestly appreciated.

For and on behalf of the Board

Regd. Office: P-16, C.I.T. Road,
Kolkata 700 014
24th August, 2001

Mrs. Kirti Lakhota
Managing Director

Satish Chandra Lakhota
Executive Director

Mr. S. M. Devadason
Director

