

LCC

A-652

ANNUAL REPORT

2002-2003



LCC Infotech Limited

BOARD OF DIRECTORS

MRS KIRTI LAKHOTIA, Managing Director
MR SIDHARTH LAKHOTIA, Chief Operating Officer
MR PRATIK LAKHOTIA
MR PRAVEEN JAIN
MR G K GUPTA
MR PREMCHAND GARODIA

COMPANY SECRETARY

MR P N ROY CHOUDHURY

AUDITORS

P LATH & CO.

REGISTRAR AND SHARE TRANSFER AGENT

M/S S. K. COMPUTERS
34/1A, SUDHIR CHATTERJEE STREET
KOLKATA 700 006

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
PHONE: (033) 2245 7904/05

CORPORATE OFFICE

2/5A SARAT BOSE ROAD, KOLKATA 700 020
PHONE: (033) 2485 2932 / 2486 0667
FAX: (033) 2485 2932

Website: <http://www.lccinfotech.co.in>

E-mail: corporate@lccinfotech.co.in

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MANAGING DIRECTORS' MESSAGE

Dear Shareholder,

Fiscal year 2002-2003 has turned out to be rather successful in-terms of consolidation, new projects and ventures. Your company has worked this year to strategize the business structure that would result in higher profitability in the coming years. The Information Technology industry has seen signs of gradual recovery and we are sure this factor will prove to be for our benefit.

The focus this year has been on re-inventing and innovating and keeping this trend in mind. Your company has taken up initiatives in respect to e-learning that is the future of learning and education in the near future.

New tie-ups and business alliances both national and international level has been something that your company has been busy doing this year and we are confident that these new ventures will be of great benefit to you and your company.

As a final note I would like to appreciate the loyalty and confidence that you have shown in your company during the hard times and now it is time we did a complete turn around. So I would want everyone to be a part of the glorious journey that we are about to undertake in the coming year.



KIRTI LAKHOTIA
Managing Director

LCC INFOTECH LTD.**DIRECTORS' REPORT**

To the Members,

The Directors have pleasure in presenting their 17th Annual Report on the business and operations of your Company together with the Audited Financial Results for the year ended 31st March 2003.

1. Financial Highlights:

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

(Amount in Rs. '000)

	FORT THE YEAR ENDED 31ST MARCH 2003	FOR THE YEAR ENDED 31ST MARCH 2002
Profit/(Loss) for the year	(42134)	(6083)
Less: Tax Provision for the year	---	---
Less: Deferred Tax Provision for the year	15116	2199
Profit/(Loss) after Taxation	(27018)	(3884)
Less: Transfer from Reserve	---	7500
	(27018)	3616
Add: Balance (cr.) brought forward	119287	1,66,348
	---	169964
Less: Deferred Tax	---	50,667
Balance carried forward to Balance Sheet	92269	1,19,287

2. Current year & Future Prospects:

The I.T scenario remains low, as it has been for the past three years. Your company has made constant efforts, focusing on strategies to consolidate business through its existing training network. Keeping strict watch on the I.T training trends, and with the objective to increase market share, your company has signed strategic alliances with number of university and organizations. To name some of the important tie-ups are with Institute of Management Technology (IMT) Ghaziabad, 7th ranked business school in India, for its electronic MBA (e-learning) degree offering specialization in Marketing, Finance and dual. Another crucial alliance has been with AAI-DU, Allahabad Agricultural Institute – Deemed University to offer Post Graduate and Under Graduate degrees in M. Tech. I.T, B. Tech I.T, M. Sc. I.T, B.Sc. I.T, MCA, BCA, MBA, BBA and PGDCA. Degrees in Library & information Science, Bio-Informatics are also offered. Diplomas are also offered in Hospitality Services and Fashion stream like Hotel Management, Tourism Management, and Fashion Technology. Management programs has gains immense popularity both in the student and the corporate segment, and to support the market needs, through an association with Xavier Institute of Management (XIM), 5th ranked Business School in India, Customer Relationship Management (CRM) and Management Development Program (MDB) will be offered. To promote short term I.T and Communication related programs with greater value of certification, your company has tied-up with University of Cambridge for its IT & Information and Communication Technology and BULATS (Business English) program. The successful students will be offered certificate directly from University of Cambridge.

With the widespread of the training activities, a very common training program, the need of which has evolved out of the analysis of the student community is the power of communicating in English. Certificate course are offered in 4 different levels which is the basic covered in the first 2 levels and level 3 & 4 are to train the students to the standards of TOEFL. Personality development and soft skill sets are also imbibed into the students through this program. The response has been positive.

New courses related to I.T that your company has been offering this year is the Open Office under the Linux platform. The corporate market has shown positive indication of open office usage.

These associations and launches have led to expand the scope of training services. With these tie-ups your company will be reaching to million of potential clients.

The opportunities of ITES (Information Technology Enabled Services) has been already tapped by offering the electronic MBA program from IMT Ghaziabad as the training methodology is audio and video based with out any physical instructor. Other opportunities in the lines of ITES are being evaluated by your company, on finding profitable projects, we will undertake them. The tie-ups and new projects mentioned above are offered and executed from several locations in the country, though its own office and business associates.

3. Dividend:

The directors regret their inability to recommend any dividend due to loss in the year under report.

4. Directors:

In accordance with the provisions of the Companies Act, 1956 and the Articles & Association of the company, Mr. Gopal Kishan Gupta and Mr. Sidharth Lakhotia retires from office by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment. Mr. S. M. Devadason and Mr. Satish Chandra Lakhotia resigned from the directorship during the period. The board of directors of the Company took on record its deep sense of appreciation for the service rendered by them during the tenure of their directorship. Mr. Pratik Lakhotia and Mr. Prem Chand Garodia were inducted in the Board as additional directors and their confirmation as rotational directors is proposed for your confirmation.

5. Auditors:

The Auditors M/s P. Lath & Co. Chartered Accountant will retire at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

6. Depository System:

The Companies share are under compulsory demat mode and the members are requested to dematerialise their holdings for the operational convenience.

7. Subsidiary Company:

The Audited Annual Accounts for the Financial Year ending 31st March 2003 along with the Auditors' and Directors' 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.

8. 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 2002-2003.

9. Listing:

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

Calcutta, Delhi and Ahmedabad Stock Exchanges vide the approval of the members granted in the Extra Ordinary General Meeting of the Company held on 23rd May 2003. The notice for such meeting was also published in the Newspaper.

10. 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.

11. 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 *Schedule 22-Notes to the Accounts*, forming part of the Balance Sheet.

12. 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.

13. 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 2003 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.

14. Corporate Governance:

1. Company's philosophy on code of Governance:

The Company believes in and practices good corporate governance. The Company's essential character is shaped by the very values of transparency, professionalism and accountability. The company continuously endeavours to improve on these aspects on a continuous basis. LCC believes that the practice of each of these leads to the creation of right corporate culture that enables the company to be managed in a manner that fulfills the purpose of corporate governance.

2. Board of directors:**(a) Composition and Category of Directors*:**

Name of the Director	Category
Mrs. Kirti Lakhotia	Chairperson & Managing Director
Mr. Sidharth Lakhotia	Chief Operating Officer
Mr. Pratik Lakhotia*	Director
Mr. Prem Chand Garodia*	Director
Mr. G. K. Gupta*	Director
Mr. Praveen Jain*	Director

* Independent and non-executive directors

(b) Attendance of each Director at the Board Meeting and the last Annual General Meeting:

Name of Director	No. of Board Meetings held	No. of Board Meetings Attended	Attendance at the last AGM
1. Mrs. K. Lakhotia	8	8	Yes
2. Mr. S. C. Lakhotia**	8	8	Yes
3. Mr. S Lakhotia	8	8	Yes
4. Mr. S. M. Devadason**^	8	3	Yes
5. Mr. G. K. Gupta^	8	6	No
6. Mr. Praveen Jain^	8	Nil	No
7. Mr. Pratik Lakhotia***	--	--	N.A.
8. Mr. Prem Chand Garodia**	--	--	N.A.

^ Leave of absence was granted as in availability was regretted

** Mr. Satish Chandra Lakhotia and Mr. S. M. Devadason had resigned from the board on 28th April 2003 and Mr. Prem Chand Garodia has been inducted on the board on the same date as an additional director.

*** Inducted as Additional Director with effect from 30. 01. 2003.

(c) Number of other Directorship and Chairmanship/Membership of Committee of each Director:

Name of the Director	No. of Directorship in In other boards	No. of Chairmanship/ Membership of Other Board Committee
1. Mrs. K. Lakhotia	4	--
2. Mr. S. C. Lakhotia*	11	--
3. Mr. S. Lakhotia	3	--
4. Mr. S. M. Devadason*	3	--
5. Mr. Praveen Jain	--	--
6. Mr. G. K. Gupta	--	--
7. Mr. Pratik Lakhotia**	1	--
8. Mr. Prem Chand Garodia**	--	--

* Resigned w. e. f. on 28th April 2003

** Mr. Pratik Lakhotia has been inducted on the board on 30th January 2003 and Mr. Prem Chand Garodia has been inducted on 28th April 2003.

(d) Details of Board Meetings held during the year:

Date	Board Strength	No. of Directors present
05.06.2002	6	4
13.06.2002	6	4
27.06.2002	6	5
29.07.2002	6	4
01.10.2002	6	4
30.10.2002	6	4
11.01.2003	6	4
30.01.2003	6	4

3. Committees of the Board:**(a) Audit Committee:**

The former audit committee has been dissolved and it has been reconstituted comprised of the following independent non-executive Directors:

1. Mr. Prem Chand Garodia - Chairman
2. Mr. G. K. Gupta
3. Mr. Praveen Jain

Mr. P. N. Roy Choudhury, company secretary acts as secretary of the committee.

The audit committee met four times during the financial year on 27th June 2002, 29th July 2002, 30th October 2002 and 30th January 2003.

*** Functions of the Committee**

1. Review with the management an/or Internal Audit Department and/or Statutory Auditors:

- i) Company's financial statements and reports;
- ii) Disclosure of Company's financial information to ensure the same is correct, sufficient and credible;
- iii) Changes/Improvements in Financial/Accounting practices;
- iv) Adequacy of Internal Audit Function and Systems; and
- v) Charter of Audit Committee.

2. Hold discussion with:

- i) Statutory Auditors, before and after audit on the scope and area of Concern;
- ii) Internal Audit Department on its significant findings and also failure of Internal Control Systems, if any; and
- iii) Management before submission of financial statements to the Board.

3. Compliance with Accounting Standards, Legal requirements and Ethical Code.

(b) Remuneration Committee:

The former Remuneration committee has been dissolved and it has been reconstituted comprising of the following independent non-executive Directors

1. Mr. G. K. Gupta - Chairman
2. Mr. Prem Chand Garodia
3. Mr. Praveen Jain

Mr. P. N. Roy Choudhury, company secretary acts as secretary of the committee.

*** Functions of the Committee**

The Policy Dossier prescribes for payment of Compensation to Executive Directors by way of salary and other perquisites.

*** Remuneration Policy**

The remuneration policy is directed towards rewarding performance based on review of achievements on a periodical basis. The remuneration policy is in consonance with the existing industry practice.

The aggregate value of salary and perquisites paid to Mrs. Kirti Lakhota, Managing Director and Mr. Sidharth Lakhota, Director of the Company for the year ended 31st March 2003 was Rs. 90,000/- each respectively. Further, no sitting fee was paid to any Director for attending any of the meetings of the Board or committee thereof.