



LCC[™] Infotech Limited
ANNUAL REPORT
2003 - 2004

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, C. I. T. Road, Kolkata - 700 014
Phone: (033) 2227-7906

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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LCC INFOTECH LTD.**DIRECTORS' REPORT**

To the Members,

Your Directors hereby present the 18th Annual Report together with the Audited Accounts for the year ended 31st March 2004.

1. Financial Results:

The summarized financial results are:

	(Amount in Rs. '000)	
	For the Year ended 31st March 2004	For the year ended 31st march 2003
Profit/(Loss) for the year	(67113)	(42134)
Less: Tax Provision for the year	—	—
Less: Deferred Tax Provision for the year	23957	15116
Profit/(Loss) after Taxation	(43156)	(27018)
Less: Transfer from Reserve	—	—
	(43156)	(27018)
Add: Balance (cr.) brought forward	92269	119287
	49113	92269
Less: Deferred Tax	—	—
Balance carried forward to Balance Sheet	49113	92269

2. Dividend:

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

3. Directors:

In accordance with the provisions of the Companies Act, 1956 and the Articles & Association of the company, Mr. G. K. Gupta and Mr. Praveen Jain retires from office by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

4. Auditors:

The Auditors M/s P. Lath & Co. Chartered Accountant will retire at the forthcoming Annual General Meeting and being eligible offer themselves for reappointment. The company has received a certificate from them to the effect that their reappointment, if made, will be within the limits prescribed under Section 224(1) of the Companies Act, 1956.

5. Depository System:

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

6. Subsidiary Company:

The Audited Annual Accounts for the Financial Year ending 31st March 2004 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.

7. 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 2003-2004.

8. 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.

9. 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.

10. 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.

11. 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 judgments 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 2004 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.

12. Corporate Governance:

In terms of Listing Agreements, a report on Corporate Governance along with the Auditors' Report on its compliance is annexed, forming part of the Annual Report.

13. Listing

In accordance with the approval granted by the Shareholders, the company has got its equity shares de-listed from the Stock Exchanges at Ahmedabad and Delhi. Delisting application has been submitted to the Stock Exchanges at Kolkata and the approval for the same is awaited.

The Company's equity shares shall continue to be listed on the Stock Exchange, Mumbai (BSE) and the National Stock Exchange of India Limited (NSE), which have nationwide terminals. The listing fee to the Stock Exchanges are paid upto 31.3.2004 and the same is required to be paid for 2004-05.

14. Acknowledgement:

Your Directors wish to place their deep sense of appreciation for the dedicated efforts put in by the Employees at all level.

Your Directors are thankful and gratefully acknowledge the continued support extended by the Shareholders, bankers, business associates, various Govt. Authorities, Central and State Government in all the endeavors of the Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

SIDHARTH LAKHOTIA
DIRECTOR

KIRTI LAKHOTIA
MANAGING DIRECTOR

PLACE: KOLKATA

DATE: 30th JULY 2004

ANNEXURE TO DIRECTORS' REPORT

REPORT ON CORPORATE GOVERNANCE

1. Company's philosophy:

LCC believes in good corporate governance, which results in corporate excellence by practicing and attaining maximum level of transparency, disclosures, accountability and equity in all its interaction with its shareholders. Your company continued to recognize the importance of corporate governance to ensure the fairness to the shareholders. Corporate Governance envisages disclosures on the facet of the Company's operations to achieve corporate excellence.

2. BOARD OF DIRECTORS

a) Composition of the Board:

The Board of Directors has an optimum combination of executive, non-executive and independent Directors. The Board is headed by Managing Director and supported by Chief operating Officer. The composition is given here under.

Name of Director	Executive/ Non- Executive/ Independent	No of Outside Directorship Held		No of outside Committee Position Held	
		Chairman	Member	Chairman	Member
Mrs. Kirti Lakhotia	Executive (M.D.)	Nil	2	Nil	Nil
Mr. Sidharth Lakhotia	Executive (C.O.O)	Nil	2	Nil	Nil
Mr. Pratik Lakhotia	Non-Executive	Nil	2	Nil	Nil
Mr. Premchand Garodia	Independent & Non-executive	Nil	Nil	Nil	Nil
Mr. G. K. Gupta	Do	Nil	Nil	Nil	Nil
Mr. Praveen Jain	Do	Nil	Nil	Nil	Nil

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	7	7	Yes
2. Mr. S Lakhotia	7	7	Yes
3. Mr. G. K. Gupta	7	7	No
4. Mr. Praveen Jain^	7	Nil	No
5. Mr. Pratik Lakhotia	7	7	Yes
6. Mr. Prem Chand Garodia	7	7	Yes

^ Leave of absence was granted as in availability was regretted

d) Details of Board Meetings held during the year:

Date	Board Strength	No of Directors Present
15.3.2003	6	5
28.04.2003	6	5
5.7.2003	6	5
29.07.2003	6	5
03.09.2003	6	5
29.10.2003	6	5
30.1.2004	6	5

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

Your Company has an Audit Committee at the Board level with the powers and role that are in accordance with Section 292A of the Companies Act, 1956 and Clause 49II(C) and (D) of the Listing Agreement. The Committee act as link between the Management, the Statutory Auditors and the Board of Directors and oversees the financial Reporting process. The Audit committee comprises 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.

During the year under review the audit committee met four times on 28.04.2003, 29.07.2003, 29.10.2003 and 30.1.2004 and all the meetings were attended by Mr. G. K. Gupta and Mr. Premchand Garodia while leave of absence was granted to Mr. Praveen Jain, who regretted his inability to attend the meeting.

(b) Remuneration Committee:

The Remuneration committee comprises 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.

During the year under review the committee met once on 30.6.2003 and the meeting was attended by Mr. G.K. Gupta and Mr. Premchand Garodia while leave of absence was granted to Mr. Praveen Jain, who regretted his inability to attend the meeting.

* 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 Lakhotia, Managing Director and Mr. Sidharth Lakhotia, Director of the Company for the year ended 31st March 2004 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.

(c) Shareholders'/Investors' Grievance Committee:

Your company has Shareholders' / Investors' Grievance Committee to inter alia look into issues relating to Shareholders including transfer and transmission of shares, issue of duplicate share certificate, non-receipt of Annual Report and redressing of shareholders complaints, etc.

The composition of the committee is as under:

1. Mr. G. K. Gupta - Chairman
2. Mr. Sidharth Lakhotia
3. Mr. Pratik Lakhotia

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

The Committee met 8 times on 25.4.03, 10.7.03, 25.8.03, 15.9.03, 15.11.03, 31.12.03, 28.02.04 and 31.03.04. All the queries have been resolved to the satisfaction of the shareholders/investors. The committee focuses on strengthening of investor relations. There was no complaint lying unresolved as on 31.3.2004.

*Functions and activities:

The Committee, inter alia, approves issue of duplicate certificates and oversees and reviews all matters connected with the securities transfer. The Committee also looks into redresses of shareholders'/investors' complaints like transfer of shares, non -receipt of Balance- Sheet, non-receipt of dividends, etc. During the year under review the Company has processed all the applications within time except for certain cases due to unavoidable reasons.

*Share Transfer System

The company's shares are traded in the Stock Exchanges compulsorily in Demat Mode. Shares in Physical Mode, which are lodged for transfer, are processed and returned to the Shareholders within the stipulated time. The company adopts transfer cum Demat system to facilitate Demat of Shares.

COMPLIANCE OFFICER: Mr. P. N. Roychoudhury
 Phone: 033-24852932
 Fax: 033-24852932
 email: corporate@lccinfotech.co.in

4. General Body Meetings:

The last three Annual General Meetings of the Company was held as under:

YEAR	LOCATION	DATE	TIME
2000-2001	Byepass Swimming Club, 11, East Topsia Road, Kolkata - 700 046	27.09.2001	10:00 A.M.
2001-2002	- Do -	25.09.2002	10:00 A.M.
2002-2003	- Do -	22.09.2003	10:00 A.M.

Note: No special resolutions were required to be passed through postal ballot. No resolution is required to be passed through postal ballot in the ensuing Annual General Meeting.

5. Disclosures:

- (a) Disclosures on materially significant related party transactions, i.e., transactions of the Company of material nature, with its promoters, the Directors or the Management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large:

None of the transactions with any of the related parties were in conflict with the interests of the Company.

- (b) Details of non-compliance by the Company, penalties, and strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authority or any matter related to Capital Markets, during the last three years:

There were no significant instances of non-compliances of any matter related to the capital markets during the last year. The company's shares are listed at Calcutta, Mumbai and National Stock Exchanges. The Company's shares have been delisted from Ahmedabad and Delhi Stock Exchanges. Further, there are certain shares for which listing application is lying pending with Mumbai and National Stock Exchanges. However, due to certain technical reasons, the trading of company's shares has been suspended in Mumbai Stock Exchanges from 14th February 2003.