



ANNUAL REPORT 2006 – 2007

Infotech Limited
(AN ISO 9001:2000 COMPANY)

Report Junction

knowledge

BOARD OF DIRECTORS

MRS KIRTI LAKHOTIA, Managing Director
MR SIDHARTH LAKHOTIA, Chief Executive Officer
MR PRATIK LAKHOTIA, Director Finance
MR PRAVEEN JAIN
MR G K GUPTA
MR KAMALJIT SINGH

COMPANY SECRETARY

MR P .N .ROY CHOUDHURY

AUDITORS

BUDHIA & CO.

REGISTRAR AND SHARE TRANSFER AGENT

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

BANKERS

CORPORATION BANK
ICICI BANK LIMITED

REGISTERED OFFICE

P-16, CIT ROAD, KOLKATA 700 014
PHONE: (033) 2227 7906

CORPORATE OFFICE

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

Website: <http://www.lccinfotech.co.in>
E-mail: corporate@lccinfotech.co.in

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LCC INFOTECH LIMITED

NOTICE

NOTICE is hereby given that the 21st Annual General Meeting of LCC Infotech Limited will be held at, "AIKATAN" IA-290, Saltlake City, Kolkata-700097 on Thursday, the 27th Day of September, 2007 at 4.00 P.M. to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2007 and the Profit and Loss Account for the year ended on that date along with the reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mr. G. K. Gupta who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director in place of Mr. Kamaljit Singh who retires by rotation and being eligible, offers himself for re-appointment
4. To appoint auditors of the company and to fix their remuneration.

SPECIAL BUSINESS:

To consider and if thought fit to pass with or without modification, the following resolution as;

5. AN ORDINARY RESOLUTION

"RESOLVED THAT in accordance with provisions of Section 198, 269 & 309 read with schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), the consent of the company be and is hereby accorded to the re-appointment of Mr. Sidharth Lakhota as CEO of the Company for a further period of five years w.e.f 01.04.2007 on the terms and conditions as stated out in the agreement entered into with him in this regard and which is hereby specifically sanctioned with liberty to the Board of Directors(herein after referred to as "the Board" which term shall be deemed to include any Committee which the Board may continue to exercise its powers, including the power conferred by the resolution)to alter and vary the terms and conditions of the **said agreement** and /or remuneration including minimum remuneration and/or other terms of his **appointment in** such manner as the Board may deemed fit and acceptable to Mr. Sidharth Lakhota."

"RESOLVED FURTHER THAT to give effect to the above resolution, the Board of the Directors of the Company be and are **hereby** authorized to do all such acts, deeds and things and take such steps as may be considered necessary and which are incidental thereto."

By Order of the Board

Kolkata
22nd August 2007

P. N. Roychoudhury
Company Secretary

Notes:

1. The Register of Members and Share Transfer Books of the Company shall remain close from 24th day of September, 2007 to 27th day of September 2007 (both days inclusive)
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on poll instead of himself/herself and such proxy need not be a member of the Company
3. Proxies in order to be effective must be received by the Company at its Registered Office/ Corporate Office not less than 48 hours before the meeting
4. Members of the company holding more than one Share Certificate in the same name under different Ledger Folios, are requested to apply for consolidation of such Folios and send the relevant Equity Share Certificates to the Company's Registrar & Share Transfer Agent M/s. S. K. Computers, situated at 34/1A, Sudhir Chatterjee Street, Kolkata 700 006.
5. Please note that as per the notification of SEBI, the Company's Equity shares have been under compulsory Demat trading for all the investors. You are, therefore, requested to Demat your share holdings, to avoid inconvenience in future
6. Information pursuant to clause 49 of the listing agreement in connection with the Directors retiring by rotation / confirming their appointment in the Annual General Meeting and given in the report on corporate governance as Annexed with the Director's report.
7. Explanatory statement pursuant to section 173 (2) of the Companies Act 1956 are enclosed and forms part of the notice.
8. Members are requested to:
 - (a) Notify change of address, if any.
 - (b) Send query (ies), if any, regarding audited accounts at least 10 days before the meeting.
 - (c) Bring with them copy of the annual report and attendance slip at the meeting.
 - (d) Carry their identity proof to produce at the venue for security reasons.

ANNEXURE TO THE NOTICE**Explanatory Statement Pursuant To Section 173(2) of the Companies Act, 1956****ITEM NO. 5**

Mr. Sidharth Lakhotia was re-appointed as CEO at the meeting of Board of Directors of the Company held on 31/03/07 for a period of 5 (Five) years with effect from 01.04.2007, subject to approval of the members.

The agreement entered into, by the Company with Mr. Sidharth Lakhotia in respect of his appointment, inter alia, contains the following terms and conditions:

Salary: Rs. 25,000/- per month

Perquisites & Allowances: Rs. 25,000/- per month

He shall be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance together with reimbursement of expenses or allowances for utilisation of gas, electricity, water, furnishing and repairs, medical reimbursement, leave travel concession for self and her family including dependants, club fees, medical insurance and such other perquisites and / or allowances up to the amounts specified above, subject to overall ceiling of remuneration stipulated in Sections 198 and 309 read with schedule XIII of the Companies Act, 1956.

The said perquisites and allowances shall be evaluated, wherever applicable, as per the Income Tax Act, 1961 or any rules there under (including any statutory modification(s) or re-enactment thereof, for the time being in force). However, Company's contribution to Provident Fund, Superannuation or Annuity Fund, to the extent these singly or together are not taxable under the Income Tax Act, and gratuity payable and encashment of leave at the end of the tenure, as per the rules of the Company, shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

The terms and conditions set out for appointment and payment of remuneration herein and /or in the Agreement may be altered and varied from time to time by the Board of Directors of the

Company as it may, at its discretion deem fit so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force) or any amendments made thereto.

The Agreement may be terminated by either party (Company or the CEO) by giving the other three months prior notice of termination in writing.

The Agreement entered into between the Company and Mr. Sidharth Lakhota is available for inspection at the Registered Office of the Company on any working day excluding Saturdays and holidays, upto the date of the ensuing Annual General Meeting between 11.00 a.m. and 1.00 p.m.

Your Directors commend the resolution for your approval.

None of the directors of the company except Mr. Sidharth Lakhota in his personal capacity and Mrs. Kirti Lakhota and Mr. Pratik Lakhota being the relatives of Mr. Sidharth Lakhota is interested or deemed to be interested in the proposed resolution.

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Kolkata
22nd August 2007

By Order of the Board

P. N. Roychoudhury
Company Secretary

LCC INFOTECH LTD.

DIRECTORS' REPORT

To the Members,

Your Directors hereby present the 21st Annual Report together with the Audited Accounts for the year ended 31st March 2007.

1. Financial Results:

The performance of the Company for the financial year ended March 31,2007 is summarised below:

(Amount in Rs. '000)

	FOR THE YEAR ENDED 31ST MARCH 2007	FOR THE YEAR ENDED 31ST MARCH 2006
Profit/(Loss) for the year	(255)	(6014)
Less: Tax Provision for the year	---	---
Less: Deferred Tax Provision for the year	-	
Profit/(Loss) after Taxation	(255)	(6014)
Less: Transfer from Reserve	---	---
Sales Return	---	---
	(255)	(6014)
Add: Balance (cr.) brought forward	(52203)	(46189)
	(52458)	(52203)
Less: Deferred Tax	---	---
Balance carried forward to Balance Sheet	(52458)	(52203)

2. Dividend:

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

3. Current year and Future Prospect

During the year 2006-07 company's total income was 28.82crores. The total expenditure was 27.60 crores resulting a net loss of Rs. 2.55Lakhs. After necessary appropriations/adjustment there was a loss of Rs. 5.25 crores. During the year company has earned operational profit before depreciation of Rs. 1.22 crores.

For the last 22 years your company has empowered the youth and old alike. It has enlightened the masses. Your Company has become a pioneering specialized center of excellence in the field of technology education. Now the company has decided to branch out into computers to bolster its image in the IT infrastructure industry. The Management has since been able to build up the requisite

manufacturing facilities to launch its own LCC PC by the first quarter of the coming financial year. As it were, keeping up with the LCC heritage LCC PC would offer superior technology, awe-inspiring standard and design at an affordable price. Your Company is committed to provide exemplary after sales service as well. The pledge made to the august body of shareholders in the last Annual report to escalate value will thus continue to ascend in the coming years also.

Your company has been working towards several new areas and is in the process of finalizing its foray into new developing ventures. Consultative approach to an organization's Information Technology (IT) infrastructure needs is one such area. Your company does have the skilled manpower, processes and tools to deliver superior IT solutions. Ability to identify and analyze where the client organization stands technologically and then develop a solution which will enable the client organization to work smarter, not harder. Your company is strengthening its IT Consultancy and Services wing by adding a pool of highly skilled manpower to manage the implementation, installation and migration of IT Systems and also to train the client on how to use the new system to ensure a smooth transition into the newly implemented technologies.

Your company has also augmented its business volume by providing IT Preventive Maintenance Services. Services include problem identification and diagnosis, problem remediation and elimination and recommendations about future system installation, usage and maintenance. By extending such services the clients are benefited from preventive maintenance and remote support options for their computer systems and peripherals.

4. Directors:

In accordance with the provisions of the Companies Act, 1956 and the Articles & Association of the company, Mr. G. K. Gupta and Mr. Kamaljit Singh retires from office by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment. The resolution for re-appointment of Mr. Sidharth Lakhota as Chief Executive Officer of the Company for further five years w.e.f 01.04.2007 is recommended for your approval.

5. Auditors:

The Auditors M/s Budhia & 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.

6. 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.

7. Subsidiary Company:

The Audited Annual Accounts for the Financial Year ending 31st March 2007 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 2006-2007.

9. 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.

10. 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 19*-Notes to the Accounts, forming part of the Balance Sheet.

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 2007 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 Status

The company's shares are listed at Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The company's shares have been delisted from Delhi and Ahmedabad Stock Exchange whereas the application for such is lying pending with Calcutta Stock Exchange Association Limited. Listing fee has been paid till March 31st 2006 to Bombay Stock Exchange Limited and upto March 31st 2008 to National Stock Exchange of India Limited.

14. Acknowledgement:

Your Directors would like to express their grateful appreciation for the assistance and co-operation received from the members, bankers, business associates, various Govt. Authorities in all the endeavors of the Company during the year under review. Your Directors also place on record their deep sense of appreciation for the committed services of the Executives, staffs and Workers of the Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

SIDHARTH LAKHOTIA
DIRECTOR

KIRTI LAKHOTIA
MANAGING DIRECTOR

PLACE: KOLKATA
DATE: 22nd AUGUST 2007

ANNEXURE "A" TO DIRECTORS' REPORT**REPORT ON CORPORATE GOVERNANCE****1. Company's philosophy:**

At LCC Infotech Limited, our pursuit towards achieving good governance is an ongoing process, as a conscious and conscientious effort thereby ensuring truth, transparency, accountability and responsibility in all our dealings with our employees, shareholders, consumers and community at large. We as a company have always focused on good corporate governance –which is the key driver of sustainable corporate growth and long-term value creation. We at LCC believe that for a company to succeed it must maintain excellent standard of corporate Governance towards all its stakeholders.

2. BOARD OF DIRECTORS**(A) Composition of the Board:**

The Board of Directors of the Company 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 hereunder:

Name of Director	Category of Directors	Members of Boards Of other Public Limited Company	Total No of Committee (s) membership in other Public Limited Company(ies)	
			Chairman	Member (c)
Mrs. Kirti Lakhotia (a)	Executive Director (Managing Director)	2	Nil	Nil
Mr. Sidharth Lakhotia (a)	Executive Director (Chief Operating Officer)	2	Nil	Nil
Mr. Pratik Lakhotia	Executive Director Director Finance	2	Nil	Nil
Mr. Kamaljit singh*	Independent & (Non-Executive Director)	Nil	Nil	Nil
Mr. G. K. Gupta *	Independent & (Non-Executive Director)	Nil	Nil	Nil
Mr. Praveen Jain*	Independent & (Non-Executive Director)	Nil	Nil	Nil

a) Promoters of the Company

c) Only the two Committees viz the audit committee and shareholders grievance committee are considered