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# **Annual Report**

## **2007 - 2008**

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](mailto:corporate@lccinfotech.co.in)

**CORPORATE OFFICE**

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

**REGISTERED OFFICE**

UNITED BANK OF INDIA

**BANKERS**

34/1A, SUDHIR CHATTERJEE STREET  
KOLKATA 700 006

**REGISTRAR AND SHARE TRANSFER AGENT**

Company Secretaries

MR A. K. LABH

**CONSULTANT**

BUDHIA & CO.

**AUDITORS**

MR P. N. ROY CHOUDHURY

**COMPANY SECRETARY**

MR KAMALJIT SINGH

MR G K GUPTA

MR PRAVEEN JAIN

MR PRATIK LAKHOTIA, Director Finance

MR SIDHARTH LAKHOTIA, Director, Chief Executive Officer

MRS KIRTI LAKHOTIA, Managing Director

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## LCC INFOTECH LIMITED

### NOTICE

NOTICE is hereby given that the 22<sup>nd</sup> Annual General Meeting of LCC Infotech Limited will be held at, "AIKATAN" IA-290, Saltlake City, Kolkata-700097 on Thursday, the 25th Day of September, 2008 at 4.00 P.M. to transact the following business:

#### Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March 2008 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. Sidharth Lakhota who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director in place of Mr. Pratik Lakhota who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint auditors of the company and to fix their remuneration.

By Order of the Board

Kolkata  
25th August 2008

P. N. Roychoudhury  
Company Secretary

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**Notes:**

1. The Register of Members and Share Transfer Books of the Company shall remain close from 18th day of September, 2008 to 25<sup>th</sup> day of September 2008 (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. 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.

By Order of the Board

Kolkata  
25th August 2008

**P. N. Roychoudhury**  
Company Secretary

## LCC INFOTECH LTD.

### DIRECTORS' REPORT

To the Members,

Your Directors hereby present the 22<sup>nd</sup> Annual Report together with the Audited Accounts for the year ended 31st March, 2008.

#### 1. Financial Results:

The performance of the Company for the financial year ended March 31, 2008 is summarised below:

(Amount in Rs. '000)

|   | FOR THE<br>YEAR ENDED<br>31ST MARCH 2008 | FOR THE<br>YEAR ENDED<br>31ST MARCH 2007 |
|---|--|--|
| Profit/(Loss) for the year                | (361)                                    | (255)                                    |
| Less: Tax Provision for the year          | —  | —  |
| Less: Deferred Tax Provision for the year | —  | —  |
| Profit/(Loss) after Taxation              | (361)                                    | (255)                                    |
| Less: Transfer from Reserve               | —  | —  |
| Sales Return                              | —  | —  |
|   | (361)                                    | (255)                                    |
| Add: Balance (cr.) brought forward        | (52458)                                  | (52203)                                  |
|   | (52819)                                  | (52458)                                  |
| Less: Deferred Tax                        | —  | —  |
| Balance carried forward to Balance Sheet  | (52819)                                  | (52458)                                  |

#### 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 2007-08 company's total income was 22.80 crores. The total expenditure was 23.161 crores. After necessary appropriations/adjustment there was a loss of Rs. 3.61 lakhs. During the year company has earned operational profit before depreciation of Rs. 41.66 lacs.

For the last 23 years your company has been catering to the software and hardware technology needs of the masses. Your company has been accorded the distinction of being the pioneers among the leading computer training organizations in India. With the launch of its own PCs in the eastern region the image of your company has added a new feather in its cap. The management has meticulously devised a marketing plan to reach to the end consumers through the extensive franchise network that we have built up over the years across the country. Our PCs have been accepted in Orissa and West Bengal for the up market technology, impressive standard and superior design at a price that is lucrative to all and sundry. Your company has kept its commitment to provide exemplary after sale service as well. The pledge made to the august body of shareholders in the last Annual report to escalate value has thus been continuing.

Your company having branched out into the PC business with its own brand and after making successful inroads in the bigger cities of Orissa and West Bengal has chosen to foray into remote areas of these two states to maximize penetration of our PCs. We are also expanding our PC business base to Chhatisgarh, Madhya Pradesh and Gujarat.

Your company has a vision to be a national player in the years to come. We have since achieved the international standards in terms of quality, service and attractive price mechanism.

Your company has been keeping pace with the technological revolution that is continuously taking place in the world over. Your company is ever vigilant to study the feasibility of collecting enormous amount of data, getting it processed into information, storing the information and converting it into knowledge by the use of computer, therefore, has been working towards the management of knowledge using requisite tools, techniques and processes.

Each industry has to leverage intellectual assets through knowledge management. Knowledge management helps in identifying risks and developing better customer relationship. The knowledge management aims to get the right kind of information to the right people at the right time. Software tools like secure, store, track and manage documents, synchronous interaction tools, data mining tools, e-learning systems and Enterprise Resource Planning tools (ERP) are often used in knowledge management. A new class of industry has appeared on the scene in the knowledge and information society today. Knowledge is their raw material, processes are their tools. Computer software industry IT enabled services (ITES), financial and legal services, BPO industry and media and entertainment industry are some of the examples of such industry. Your company has been striving hard to create a pool of requisite manpower to lend skill and expertise to this emerging industrial segments.

#### **4. Directors:**

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

#### **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. Auditor 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 2008 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 2007-2008.

#### **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 18*-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 2008 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, Calcutta and Ahmedabad Stock Exchange. Listing fee has been paid till March 31<sup>st</sup> 2006 to Bombay Stock Exchange Limited and upto March 31<sup>st</sup> 2009 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 & C. E. O.

**KIRTI LAKHOTIA**

MANAGING DIRECTOR

PLACE: KOLKATA

DATE: 25TH AUGUST 2008

## ANNEXURE "A" TO DIRECTORS' REPORT

### REPORT ON CORPORATE GOVERNANCE

#### 1. Company's philosophy:

At LCC Infotech Limited, we believe good corporate governance is essential to achieve long-term corporate goals. Within the Company itself, we also make every endeavor to maintain the highest quality of corporate governance for the interests of shareholders, employees, as well as the society as a whole. LCC Infotech Limited has properly in place processes and systems that comply with the Clause 49 of Listing Agreement.

#### 2. BOARD OF DIRECTORS

##### A. Composition of the Board:

The board consists of six directors consisting of three executive directors and three non-executive directors. There are three independent directors in the board fulfilling the criteria as stipulated vide clause 49.1.A.III of the listing agreement. Mrs. Kirti Lakhotia, Mr. Sidharth Lakhotia and Mr. Pratik Lakhotia, being relative are related with each other. All the directors are above 21 years of age.

| Name of Director                                       | Category of Directors                   | Member of boards of other Public Limited Company | Total number of committee(s) membership in other Public Limited Company (ies)* |        |
|--|---|--|--|--------|
|  |   |  | Chairman   | Member |
| Mrs. Kirti Lakhotia (a)<br>(Managing Director)         | Executive Director                      | 2  | Nil  | Nil    |
| Mr. Sidharth Lakhotia (a)<br>(Chief Executive Officer) | Executive Director                      | 2  | Nil  | Nil    |
| Mr. Pratik Lakhotia (a)<br>(Director-Finance)          | Executive Director                      | 2  | Nil  | Nil    |
| Mr. Kamaljit Singh                                     | Independent &<br>Non-Executive Director | Nil  | Nil  | Nil    |
| Mr. G. K. Gupta  | Independent &<br>Non-Executive Director | Nil  | Nil  | Nil    |
| Mr. Praven Jain  | Independent &<br>Non-Executive Director | Nil  | Nil  | Nil    |

(a) Promoters of the company

\*only the two committees viz, the audit committee and share holders grievance committee are considered.