



**Annual Report  
2009-2010**

**MRS KIRTI LAKHOTIA, CMD**  
**MR SIDHARTH LAKHOTIA, Director, 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.  
Chartered Accountant

**CONSULTANT**  
A. K. LABH & COMPANY  
Company Secretaries

**REGISTRAR AND SHARE TRANSFER AGENT**  
M/S S. K. COMPUTERS  
34/1A, SUDHIR CHATTERJEE STREET  
KOLKATA 700 006

**BANKERS**  
UNITED BANK OF INDIA  
STATE BANK OF INDIA

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

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## LCC INFOTECH LIMITED

### NOTICE

NOTICE is hereby given that the 24th Annual General Meeting of LCC Infotech Limited will be held at Bharatiya Bhasha Parisad, 36A, Shakespeare Sarani, Kolkata- 700 017 on Tuesday, the 28th September, 2010 at 01.00 P.M. to transact the following business:

#### **Ordinary Business:**

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2010 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 Lakhotia 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:**

5. To consider and if thought fit to pass the following resolution as an Ordinary Resolution:

RESOLVED THAT in accordance with the provisions of section 198, 269 and 309 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification and reenactment thereof for the time being in force) the consent of the company be and is hereby accorded to the reappointment of Mrs. Kirti Lakhotia as Non-retiring Managing Director of the Company for a period of 5 (five) years with effect from 8<sup>th</sup> June, 2010 on the terms and conditions including remuneration provided such remuneration is also to be Rs. 50,000/- per month and as are set out in the agreement to be entered into minimum remuneration payable to Mrs. Kirti Lakhotia in the event of loss or inadequacy of profits of the Company in any financial year during the aforesaid period on a salary of between the Company and Mrs. Kirti Lakhotia, a draft of which is placed before the meeting which agreement 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 constitute to exercise its powers, including the powers conferred by the resolution) to alter and vary the terms and conditions of the said agreement and / or remuneration including minimum remuneration and / or agreement in such manner as the Board may deem fit and acceptable to Mrs. Kirti Lakhotia.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to decide from time to time for the payment of perquisites as defined in the schedule XIII of the Companies Act, 1956 to Mrs. Kirti Lakhotia, Managing Director of the Company, the aggregate value of which shall be equivalent to the salary being paid to Mrs. Kirti Lakhotia during the period.

RESOLVED FURTHER THAT the Managing Director shall not be entitled to any sitting fee for attending meetings of the Board and / or Committee(s) thereof.

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

By Order of the Board  
For LCC Infotech Limited

Kolkata  
Date: 23rd August 2010

**P. N. Roychoudhury**  
Company Secretary

**Notes:**

1. The Register of Members and Share Transfer Books of the Company shall remain close from 21st day of September, 2010 to 28th day of September, 2010 (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  
For LCC Infotech Limited

Kolkata  
Date: 23rd August, 2010

**P. N. Roychoudhury**  
Company Secretary

## ANNEXURE TO THE NOTICE

### **Explanatory Statement Pursuant to Section 173 (2) of the Companies Act, 1956.**

Mrs. Kirti Lakhotia was reappointed as Managing Director of the Company at the meeting of the Board of Directors of the Company held on 07.06.2010 for a period of 5 (five) years with effect from 08.06.2010 subject to the approval of the members.

The agreement entered into by the company with Mrs. Kirti Lakhotia in respect of his appointment, inter alia, contains the following terms and conditions:

Salary 50,000/- per month

Perquisites 50,000/- per month

She 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 utilization of gas, electricity, water, furnishing and repairs, medical insurance and such other perquisites and / or allowances upto the amounts specified above, subject to overall ceiling of remuneration stipulated in section 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 other 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 the Schedule XIII of 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 Managing Director) by giving the other three months prior notice of termination in writing.

The Agreement entered into between the Company and Mrs. Kirti Lakhotia 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. to 1.00 p.m.

Yours Directors commend the resolution for your approval.

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

By Order of the Board  
For LCC Infotech Limited

Kolkata  
23rd August, 2010

**P. N. Roychoudhury**  
Company Secretar

**LCC INFOTECH LTD.**  
**DIRECTORS' REPORT**

To the Members,

Your Directors hereby present the 24th Annual Report together with the Audited Accounts for the year ended 31st March, 2010.

**1. Financial Results:**

The performance of the Company for the financial year ended March 31, 2010 is summarised below:

*(Amount in Rs. '000)*

|   | For the<br>Year ended<br>31st March 2010 | For the<br>year ended<br>31st march 2009 |
|---|--|--|
| Profit/(Loss) for the year                | 326                                      | 215                                      |
| Less: Tax Provision for the year          | --                                       | 35                                       |
| Less: Deferred Tax Provision for the year | --                                       | --                                       |
| Profit/(Loss) after Taxation              | 326                                      | 180                                      |
| Less: Transfer from Reserve               | —  | —  |
| Sales Return                              | —  | —  |
|   | 326                                      | 180                                      |
| Add: Balance (Dr.) brought forward        | (52638)                                  | (52819)                                  |
|   | (52312)                                  | (52639)                                  |
| Less: Deferred Tax                        | —  | —  |
| Balance carried forward to Balance Sheet  | (52312)                                  | (52639)                                  |

**2. Dividend:**

During the year 2009-2010, your company has posted a profit after tax (PAT) of Rs. 3.26 lakh and is looking at increasing this number in the coming years. However due to inadequate profit the Board of Directors have expressed their inability to declared dividend for the current year.

**3. Current year and Future Prospect**

During the year 2009-10 company's total income was 20.39 crores. The total expenditure 20.35 crores. After necessary appropriations/adjustment there was a profit of Rs. 3.26 Lakhs. During the year company has earned operational profit before depreciation of Rs. 32.95 Lakhs.

Your company has complied with the standard of MGMT.SYS., RvAC 216 (certification body for QM system) and has been granted ISO 9001:2008 to design, develop and provide value added services in the field of Information Technology. This certificate has been a reassuring factor about the quality of services provided by your company.

Your company complete its 26th year of operations in the IT training and become a pioneering specialized centre of excellence in the field of technology education. Now we has decided to branch out into various professional and degree based education to the budding new generation.

Your company has been keeping pace with the technological revolution that is continuously taking place in the worldwide. Your company has also augmented its business volume by providing IT Preventive Maintenance Services, which include problem identification and diagnosis, problem remediation and elimination and recommendation about future system installation, usage and maintenance.

With India becoming a hub for global talent sourcing of skilled manpower, there is an acute demand for manpower with various skills sets both in the technology sector as well as in the field of traditional degree based education. With the current projects and forecasts we are heading for a big gap in the demand and supply of trained manpower and there lies a big opportunity for your company in the years to come.

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

In accordance with the provisions of the Companies Act, 1956 and the Articles & Association of the company, Mr. Sidharth Lakhotia 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 confirmation of re-appointment of Mrs. Kirti Lakhotia as Managing Director of the company is also proposed 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. 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, 2010 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 2009-2010.

#### **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 on 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 2010 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 31st 2006 to Bombay Stock Exchange Limited and upto March 31st 2011 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

PLACE: KOLKATA  
DATE: 23rd August, 2010

**SIDHARTH LAKHOTIA**  
DIRECTOR & C.E.O

**KIRTI LAKHOTIA**  
MANAGING DIRECTOR

## ANNEXURE "A" TO DIRECTORS' REPORT

### REPORT ON CORPORATE GOVERNANCE

#### 1. Company's philosophy:

At LCC Infotech Limited, we believe 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. Thus all the business transactions are ensures high degree of legal compliance and ethical standard. Further as required by the Listing Agreement, report on Corporate Governance is given below:

#### 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 Lakhota, Mr. Sidharth Lakhota and Mr. Pratik Lakhota, being relative and related with each other. All the directors are above 21 years of age.

| Name of Directors                                      | Category of Director                 | Member of Boards of other public limited Company | Total number of Committee(s) membership in other Public Limited Company (ies) |        |
|--|--------------------------------------|--|---|--------|
|  |                                      |  | Chairman  | Member |
| Mrs. Kirti Lakhota (a)<br>(Managing Director)          | Executive Director                   | 2  | Nil   | Nil    |
| Mr. Sidharth Lakhota (a)<br>(Chief Executive Director) | Executive Director                   | 2  | Nil   | Nil    |
| Mr. Pratik Lakhota (a)<br>(Director Finance)           | Executive Director                   | 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.

\* Only the two committees viz, the Audit Committee and Shareholders Grievance Committee are considered.

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

|    | Name of the Board of Directors | No. of meeting held | Meetings Attended | Attendance at the last AGM |
|----|--------------------------------|---------------------|-------------------|----------------------------|
| 1. | Mrs. Kirti Lakhota             | 7                   | 7                 | Yes                        |
| 2. | Mr. Sidharth Lakhota           | 7                   | 7                 | Yes                        |
| 3. | Mr. Gopal Krishan Gupta        | 7                   | 7                 | Yes                        |
| 4. | Mr. Praveen Jain <sup>^</sup>  | 7                   | Nil               | No                         |
| 5. | Mr. Pratik Lakhota             | 7                   | 7                 | Yes                        |
| 6. | Mr. Kamaljit Singh             | 7                   | 7                 | Yes                        |

<sup>^</sup> Leave of absence was granted as in availability was regretted

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

During the year the Board met Nine times on the following dates and the time gap between two board meetings were not more than four months

The details of the Board meetings held during the year are as under:

| SI No | Date       | Board Strength | No of Directors Present |
|-------|------------|----------------|-------------------------|
| 1     | 27-04-2009 | 6              | 5                       |
| 2     | 28-07-2009 | 6              | 5                       |
| 3     | 28-10-2009 | 6              | 5                       |
| 4     | 09-11-2009 | 6              | 5                       |
| 5     | 28-12-2009 | 6              | 5                       |
| 6     | 29-01-2010 | 6              | 5                       |
| 7     | 25-03-2010 | 6              | 5                       |

Brief Resumes of Directors proposed to be appointed/reappointed

|   |  |  |
|---|--|--|
| <b>Name of the Director</b>   | Sidharth Lakhotia  | Kamaljit Singh                                   |
| <b>Date of birth</b>  | 29.03.1980   | 12.03.1960                                       |
| <b>Date of Appointment</b>  | 15.05.1998   | 28.07.2006                                       |
| <b>Qualification</b>  | Graduate with a double major in Business Process Management and Computer Information System from Indiana University  | B. Com from Delhi University                     |
| <b>Experience</b>   | He is having hands on experience of more than 11 years in the operation and management of the company. He is actively involved in all technological aspects related to Computer Training and Software Development. | A reputed Industrialist with experienced Finance |
| <b>Directorship in other Public Limited</b>                                     | → eLCC-Info.com Ltd.<br>→ Advertiser Advertising Agency Ltd.   | None   |
| <b>Chairman/Membership of the committee of the other Public Limited company</b> | None   | None   |
| <b>Equity shares of the Company held by him</b>                                 | 10894674   | Nil  |

**Code of Conduct:**

The company has formulated and implemented a code of conduct for all Board members and Senior Management of the Company in compliance with Clause 49 of the listing Agreement. The same has also been posted at the Company's Website at [www.lccinfotech.co.in](http://www.lccinfotech.co.in). All Board members and Senior Management personnel has affirmed compliance with the code on annual basis. A declaration to this effect duly signed by Managing Director of the Company is annexed with this report.

### 3. Committees of the Board:

#### (a) Audit Committee:

During the year under report the meeting of the audit committee was held in the following manner and the time gap between two board meetings were not more than four months

|                             | 27.04.2009 | 28.07.2009 | 28.10.2009 | 29.01.2010 |
|-----------------------------|------------|------------|------------|------------|
| Mr. G K Gupta<br>(Chairman) | Yes        | Yes        | Yes        | Yes        |
| Mr. Kamaljit Singh          | Yes        | Yes        | Yes        | Yes        |
| Mr. Praveen Jain**          | No         | No         | No         | No         |

\*\* Leave of absence was granted as in availability was regretted

P. N. Roy Chowdhury, Company Secretary acts as secretary to the committee.

All the members of the committee are eminent in their respective fields and financially literate with sufficient accounting and financial management expertise.

The committee acts as a link between the management, auditors and board of directors of the company and has full access to the financial information. The terms of reference of the Audit Committee are in line with Clause 49.II. (C) and (D) of the Stock Exchange's Listing Agreement coinciding with the provisions of Section 292A of the Companies Act. 1956.

The general powers of the Audit Committee, inter-alia, includes:

- \* Appointment / Reappointment and terms thereof the statutory auditors.
- \* Reviewing the financial reporting process of the quarterly, half-yearly and Yearly financial statements and the Auditors' Reports.
- \* Compliance with Accounting standards and other regulatory and legal requirements concerning financial statements.
- \* Overview of the company's financial reporting process and the disclosure of it's financial statements.

#### (b) Remuneration Committee & Remuneration Policy:

The committee comprises of Mr. G.K. Gupta, Praveen Jain, & Mr. Kamaljit Singh. Mr. G.K. Gupta is the Chairman of the Committee.

During the year under review the committee met only once on 31-03-2010 and the meetings were attended by Mr. G. K. Gupta as Chairman and Mr. Kamaljit Singh while leave of absence was granted to Mr. Praveen Jain, who regretted his inability to attend the meeting.

Mr. P. N. Roy Choudhury acts as Secretary to the committee.

- \* Functions of the Committee

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

Shares / Convertible Instruments held by Non-Executive Directors as on 31.03.2010

| Name of Non-Executive | Director No. of Equity shares of Rs. 2/- each of the company | Convertible Instruments |
|-----------------------|--|-------------------------|
| Mr. Kamaljit Singh    | Nil  | N.A.                    |
| Mr. Praveen Jain      | Nil  | N.A.                    |
| Mr. G. K. Gupta       | Nil  | N.A.                    |

The company does not have any ADR/GDR / Warrant/ Preference Shares/ Debentures etc.

\* 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 is Rs. 80,000/- and Mr. Sidharth Lakhota, Director and Mr. Pratik Lakhota, Director-Finance of the Company for the year ended 31<sup>st</sup> March 2010 was Rs. 25,000/- 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:**

**Composition**

The Shareholder's / Investor's Grievance Committee comprises of the following directors

| Name of the Member   | Category                             | Designation |
|----------------------|--------------------------------------|-------------|
| Mr. G. K. Gupta      | Non Executive & Independent Director | Chairman    |
| Mr. Sidharth Lakhota | Executive Director                   | Member      |
| Mr. Praveen Jain     | Non Executive & Independent Director | Member      |

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

**Functions and Activities:**

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. During the year under review the Company has processed the applications received and resolved the same within time.

The Committee met 1 time on 31.12.2009

|   |        |
|---|--------|
| Number of shareholders complaints received during the year          | Nil    |
| Number of complaints resolved during the year ended 31st March 2010 | Nil    |
| Number of complaints lying unresolved as at 31.03.2010              | Nil    |
| Number of pending shares transfer as at 31.03.2010                  | None   |
| Number of share transfer cases received during the year             | 1      |
| Number of share transfer received during the year                   | 3000   |
| Number of shares dematerialized during the year                     | 10,500 |
| Number of shares rematerialized during the year                     | None   |

\* **Functions and activities:**

**Share Transfer System**

All the shares received for transfer are processed by the Registrar and Transfer agent (RTA). Share transfer are presently done within a maximum period of 30 days from the date of receipt, provided, the documents are complete in all respect. All share transfer are approved by Shareholders' and Investors' Grievance Committee.

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. Roy Choudhury  
Company Secretary  
Phone: 033-24860667  
Fax: 033-24852932  
Email: corporate@lccinfotech.co.in

The company has dedicated a separate e-mail Id (corporate@lccinfotech.co.in) for shareholders' grievance and queries as per Clause 47(f) of the listing Agreement.

#### 4. General Body Meetings:

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

| Year      | Location   | Date       | Time     |
|-----------|--|------------|----------|
| 2006-2007 | Eastern Zonal Cultural Centre<br>Aikatan 1A - 290, Salt Lake City<br>Kolkata - 700 097 | 27.09.2007 | 04.00 PM |
| 2007-2008 | Eastern Zonal Cultural Centre<br>Aikatan 1A - 290, Salt Lake City<br>Kolkata - 700 097 | 25.09.2008 | 04.00 PM |
| 2008-2009 | Bhartiya Bhasa Parisad<br>36A, Shakespeare Sarani<br>Kolkata - 700 017                 | 14.12.2009 | 01.00 PM |

(b) No Extra ordinary General meeting was held in last three years.

(c) No resolution is required to be passed through postal ballot in the ensuing Annual General Meeting. No resolution was required to be passed through postal ballot in last three years.

#### 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 Mumbai and National Stock Exchanges. The company's shares have been delisted From Ahmedabad, Delhi and Calcutta Stock Exchange Association Limited. 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.

(c) In preparation of financial statement, the company has followed the Accounting Standard issued by ICAI. The significant accounting policies, which are consistently applied, have been set out in the Notes on Accounts.

(d) Risk evaluation and management is an ongoing process within the organization. A detailed exercise on risk management covering the entire gamut of operation of the Company is being planned during the current fiscal.

(e) The company has complied with all mandatory requirements of Clause 49 of the Listing Agreement. Non-mandatory requirements would be subject to review by the Board from time to time.

#### 6. Means of Communication:

The Company has published its quarterly results generally in Business Standard (English), Dainik Lipi (Bengali).

The audited/unaudited financial results and other permanent information will be available on the company's website very soon.

## **7. Management Discussion and Analysis – 2010-11**

### **Industry Structure and Analysis:**

The end of 2010 witnessed the recovery of Global Economies and overall conditions thereby sending a positive wave of multiple effects. One of the outcomes of this positive wave is increase in overall business both in the International and Domestic sector leading to new business opportunities and fresh employment. This has given a new lease of life to the training sector as the apprehension of non-employment post professional training has taken a back seat in the current scenario. The Indian population at large is witnessing new employment opportunities and is thereby driven to enhance their skills to meet employment demands.

The Indian Government is also promoting education and skill development aggressively as this is seen as a major contributor in the overall economic growth of the country. The Right to Education bill has been passed and large budgetary allocations are being made to take this initiative forward. Both the Central and State Governments have introduced various schemes across the country to increase knowledge penetration. Funded skill development schemes have been customized for various categories such as SC & ST, OBC, BPL and Minorities and are currently under execution in various parts of the country.

### **Opportunity and Threats:**

As confirmed by multiple global surveys India is one of the youngest countries in the world as well as one of the fastest growing economies worldwide. Coupled with the fact that India has one the largest uneducated population in the world leads us to the opportunity that lies before us. Education as a sector rarely featured amongst the industries that commanded top priorities. However with the initiative of the Indian Government as well as the Private sector this sector has turned its perception to becoming of the most critical sectors that will deliver the fuel required for the larger growth of our country.

In the recent times the education and training sector has also witnessed the entrance of several new players in the sector as the financial profits and returns are proving to be encouraging and thereby attracting competition. However your company is in a stable position to retain its market share due to its goodwill, strong presence and quality education in the emerging rural market for over 2 decades.

### **Segment / Product wise Performance:**

During the Financial Year 2009-2010 your company executed and developed the following in various segments:

#### **\* Individual I.T. Training:**

The focus this year has been on career courses with special customization of modules as per new industry requirements. Scholarship schemes in collaboration with Government bodies were launched offering subsidized learning solutions to the masses.

#### **\* Schools & Colleges:**

As part of its ongoing role in assisting schools and colleges developing an effective and robust learning environment as well as introducing new learning solutions. Your company has associated itself with schools and colleges to provide value added services to benefit the students.

#### **\* University:**

Keeping in line with the current high demand for degree courses, your company is providing various I.T. and Management courses under the Distance Education mode approved by the University Grants Commission and Distance Education Council.

#### **\* Corporate:**

Your Company has been providing training and skill development solutions to both the private and public sector for a long period of time. In the current year your company added to its list

several private and public companies that were provided with value added service including skill development and up-gradation.

**\* New Business:**

In the current year your company entered into a strategic and exclusive alliance with a National Development Agency, under the Planning Commission, Government of India. This new tie-up entitles your company to authorize old and new training facilities across selected states spanning the country. Your company is one of the only private companies in Eastern India that have been authorized by the government to open new centers jointly authorized by the govt. and LCC as well as all successful candidates shall receive completion certificate endorsed both by the government and LCC.

**Outlook:**

One of the key driving factors of the Indian growth story will continue to be education and with the active participation of the Indian government ensures the growth will continue to spiral from this point onwards. As the Indian economy has all the right ingredients for an uphill climb, requirement for new skilled pool of manpower will continue to rise. The Training and education industry is in the middle of a fast changing and dynamic market and the results are expected to be the emergence of a stronger, organized and robust education sector that will rightfully play its part in the larger story of India's growth.

**Risks and Concerns:**

As the IT, Training and Education industry is undergoing a sea of changes it is also faces the challenges that did not exist previously. However your company has devised a Risk Management matrix that has been devised and upgraded over the years with real life market conditions and dynamics. Even though technology is changing rapidly, it poses a challenge for companies to also change and adopt new technologies within the right time frame in-order to tackle competition and retain market share.

**Internal Control Systems:**

Your company has been working with state of the art ERP solution for better control over various operational areas such as Human Resources, Finance, Logistics and Marketing. Constant improvement on the system has been done resulting in the development of an effective control mechanism that enables the management to take quick and effective decisions.

**Financial performance:**

During the year 2009-2010 the company total income was 20.39 crores whereas the total expenditure was 20.35 crores resulting in a net profit of Rs. 3.26 lakhs.

**Operational performance:**

During the year company has earned operational profit before depreciation of Rs. 32.95

**Future Prospects:**

As your company completes its 25<sup>th</sup> year of operations in the I.T. training and education sector we have created over 27 lakh careers over the years and have played a significant role in the changing and developing stage of India. We have created large pools of talented individuals coming from small towns and villages of India and have found a place for themselves and their families in the urban society.

With the emergence of the education sector comes confusion for the masses as there is so much being offered that it can leave students at a state of confusion. The recent years have seen the emergence of several regional/local players that are attracting students purely on price points without the certainty of quality education or recognition of certificate by a potential employer. To bridge this gap your company has made a strategic and exclusive alliance with a National Development Agency, under the Planning Commission, Government of India. This new tie-up entitles your company to authorize old and new training facilities across selected states spanning the country. Your company is one of the only private companies in Eastern India that have been authorized by the government to open new centers jointly authorized by the govt. and LCC as well as all successful candidates shall receive completion certificate endorsed both by the government and LCC. With over



90 authorized courses covering 7 verticals, your company is now equipped to offer various educational products and services under one roof.

In the coming year your company is working on expanding its center network by covering unrepresented areas as well increasing concentration in existing states. This value addition of a dual certificate will empower a student to successfully secure a job both in the private as well as the government sector. This not only creates an opening for your company to increase market share but also provides the youth of India the right tools to secure a sound future.

**CAUTIONARY STATEMENT:**

Investors are cautioned that this discussion contains forwards looking statements that involve risks and uncertainties. When used in this discussion, words like 'anticipate', 'believe', 'estimate', 'intend', 'will', and 'expect' and other similar expressions as they relate the Company or its business is intended to identify such forward-looking statements. The Company undertakes no obligations to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Actual results, performances or achievements could differ materially from those expressed or implied in such statements. Readers are cautioned as not to place undue reliance on the forward-looking statements as they speak only as of their dates. The MD & A should be read in conjunction with the Company 's financial statements included herein and the notes thereto. Information provided in this MD&A pertains to LCC Infotech Limited and its subsidiaries on a consolidated basis, unless otherwise stated.

**8. CEO/CFO CERTIFICATE**

The Managing Director & Director-Finance heading the finance function have certified to the Board the particulars as stipulated vide Clause 49V of the Listing Agreement.

**9. Subsidiary Company:**

e LCC info.com Limited is a subsidiary company.

**10. General Shareholder Information:**

**(A) ANNUAL GENERAL MEETING:**

Day, Date & Time: Tuesday 28th September 2010 at 1.00 P.M.

Venue: Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, Kolkata- 700 017

**(B) Financial Calendar 2010– 2011 (tentative)**

|   |   |
|---|---|
| Annual General Meeting (next year)            | Last week of September 2011                     |
| Results for the quarter ending June 30, 2010  | Board Meeting held on 28th July 2010            |
| Results for the quarter ending Sept 30, 2010  | Board Meeting held on last week of October 2010 |
| Results for the quarter ending Dec 31, 2010   | Last week of January 2011                       |
| Results for the quarter ending March 31, 2011 | Last week of April 2011                         |

**(C) Dividend Payment Date:** The Company has not declared any dividend during the year under report.

**(D) Book Closure Date:**

21st September 2010 to 28th september 2010 (both the days inclusive)

**(E) Listing Details:**

Your Company's shares are listed at:

- |   |   |
|---|---|
| 1) Bombay Stock Exchange Limited<br>Floor 25, P. J. Towers,<br>Dalal Street, Mumbai- 400001 | 2) National Stock Exchange of India Limited<br>Exchange Plaza, Bandra Curla Complex,<br>Bandra (E), Mumbai- 400 051 |
|---|---|

**Note:**

i) Annual Listing fees are paid to the Bombay Stock Exchange Limited upto 31st March 2006 and upto 31.03.2011 to the National Stock Exchange of India Limited.

**(F) Stock Code:**

Bombay Stock Exchange Scrip Code: 532019

National Stock Exchange Trading Symbol: LCCINFOTEC

Demat ISIN No.: INE938A01021

**(G) Stock Market Data:**

| <b>NATIONAL STOCK EXCHANGE</b> |                    |                    |
|--------------------------------|--------------------|--------------------|
| <b>(In Rupees per Share)</b>   |                    |                    |
| <b>2009</b>                    | <b>Months High</b> | <b>Month's Low</b> |
| April                          | 0.70               | 0.45               |
| May                            | 1.10               | 0.55               |
| June                           | 1.40               | 0.85               |
| July                           | 0.95               | 0.75               |
| August                         | 0.85               | 0.70               |
| September                      | 1.10               | 0.75               |
| October                        | 0.95               | 0.65               |
| November                       | 0.80               | 0.65               |
| December                       | 0.80               | 0.65               |
| <b>2010</b>                    |                    |                    |
| January                        | 1.05               | 0.70               |
| February                       | 0.95               | 0.75               |
| March                          | 0.90               | 0.75               |

**(H) Registrar & Share Transfer Agent:**

The equity shares of the Company being in compulsory demat list are transferable through the depository system for which the Company has established connectivity through M/s S. K. Computers, 34/1A, Sudhir Chatterjee Street, Kolkata - 700 006, and they are the Registrar & Share Transfer Agent. (Both Physical and Depository). 124725349 shares are held in Demat mode as on 31.3.2010.

**(I) SHAREHOLDING PATTERN AS ON 31.03.2010**

| Range<br>No of Shares | No. of<br>Shareholders | % to total<br>Shareholders | No. of Shares<br>Held | % of<br>Shareholders |
|-----------------------|------------------------|----------------------------|-----------------------|----------------------|
| 1-500                 | 6819                   | 37.91                      | 2798898               | 2.21                 |
| 501-1000              | 3724                   | 20.70                      | 3604073               | 2.85                 |
| 1001-2000             | 2482                   | 13.80                      | 4294239               | 3.37                 |
| 2001-3000             | 1579                   | 8.79                       | 4153343               | 3.28                 |
| 3001-4000             | 515                    | 2.86                       | 1908602               | 1.51                 |
| 4001-5000             | 1003                   | 5.58                       | 4945963               | 3.91                 |
| 5001-10000            | 1018                   | 5.66                       | 8197915               | 6.48                 |
| 10001-50000           | 705                    | 3.92                       | 14995304              | 11.85                |
| 50001-100000          | 74                     | 0.41                       | 5513823               | 4.36                 |
| 100001 and Above      | 67                     | 0.37                       | 76181190              | 60.18                |
| <b>TOTAL</b>          | <b>17986</b>           | <b>100.00</b>              | <b>126593350</b>      | <b>100.00</b>        |

**(J) DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2010**

| CATEGORY  | NO. OF<br>SHARES HELD | PERCENTAGE<br>OF SHAREHOLDING |
|---|-----------------------|-------------------------------|
| A. Promoter's Holding   |                       |                               |
| 1. Promoters  |                       |                               |
| Indian Promoters  | 58,216,311            | 45.99                         |
| Foreign Promoters   | NIL                   | NIL                           |
| 2. Persons acting in concert  | NIL                   | NIL                           |
| <b>Sub-Total</b>  | <b>58,216,311</b>     | <b>45.99</b>                  |
| B. Non-Promoters Holding  |                       |                               |
| 3. Institutional Investors  |                       |                               |
| (a) Mutual Funds and UTI  | 2,500                 | 0.00                          |
| (b) Banks, Financial Institutions,<br>Insurance Companies (Central /<br>State Gov. Institutions /<br>Non-government Institutions) | 1,500                 | 0.00                          |
| (c) FIIs  | 105,000               | 0.08                          |
| <b>Sub-Total</b>  | <b>109,000</b>        | <b>0.08</b>                   |
| 4. Others   |                       |                               |
| (a) Private Corporate Bodies  | 15,758,596            | 12.45                         |
| (b) Indian Public   | 51,177,381            | 40.42                         |
| (c) NRIs / OCBs   | 1,332,062             | 1.05                          |
| (d) Any Other   | NIL                   | NIL                           |
| <b>Sub-Total</b>  | <b>68,268,039</b>     | <b>53.92</b>                  |
| <b>GRAND TOTAL</b>  | <b>126,593,350</b>    | <b>100.00</b>                 |

**(K) HOLDING PATTERN AS ON 31.03.2010**

| SI No.       |          | No. of Shares      | Percentage    | No.of Holders | Percentage    |
|--------------|----------|--------------------|---------------|---------------|---------------|
| 1            | NSDL     | 98,596,093         | 77.88         | 12,862        | 71.51         |
| 2            | CDSL     | 26,129,256         | 20.64         | 3,704         | 20.59         |
| 3            | PHYSICAL | 1,868,001          | 1.48          | 1,420         | 07.90         |
| <b>TOTAL</b> |          | <b>126,593,350</b> | <b>100.00</b> | <b>17,986</b> | <b>100.00</b> |

**(L) Address for Correspondence:**

- |  |  |
|--|--|
| (i) Registered Office<br>LCC Infotech Limited<br>P-16, C.I.T. Road,<br>Kolkata – 700 014<br>Phone:033-2277906  | (ii) Corporate Office<br>LCC Infotech Limited<br>2/5A, Sarat Bose, Road<br>Kolkata – 700 020<br>Phone:033-24860667   |
| (iii) Any Query on Annual REPORT<br>Secretarial Department<br>LCC Infotech Limited<br>2/5A, Sarat Bose Road<br>Kolkata – 700 020<br>Phone:033-24860667<br>Email: corporate@lccinfotech.co.in | (iv) Investor CORRESPONDENCE<br>RTA (For both Physical & Demat)<br>M/s S. K. Computers<br>34/1A, Sudhir Chatterjee Street<br>Kolkata – 700 006<br>Phone:033-22196797 |

**9. A certificate from Auditors on corporate Governance is enclosed.**

All other matter as contained in clause 49 of the Listing agreement are dealt with by the management as and when the same get applicable to the company.

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

The Members,  
LCC Infotech Limited

We have examined the compliance of conditions of Corporate Governance procedures implemented by LCC Infotech Limited, for the year ended March 31, 2010 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange (S).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended 31st March, 2010, no investor grievances are pending against the company as on 31st March, 2010 as per the records maintained by the company and presented to the investor grievances committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Kolkata  
23 rd August, 2010

**M.K. BUDHIA**  
Proprietor  
For and on behalf of  
**BUDHIA & COMPANY**  
Chartered accountants  
Membership No. 55197

## CERTIFICATE OF COMPLIANCE OF THE CODE OF CONDUCT OF THE COMPANY

This is to confirm that a code of conduct for the Board Members and Senior Management Personnel of the Company has been adapted in the Board Meeting. The Code of Conduct as adopted by the Board was also circulated and posted on the Website of the Company. The Company received declarations affirming compliance of the Code from the persons concerned for the financial year ended 31st March 2010. The same has also been noted by the Board.

For LCC Infotech Limited

Place: Kolkata  
Dated: 23.08.2010

**Kirti Lakhotia**  
MANaging Director

**Pratik Lakhotia**  
Director Finance

## AUDITOR'S REPORT

To the Members of  
LCC Infotech Limited,

1. We have audited the attached Balance Sheet of LCC Infotech Limited as at 31st March 2010 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of Material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) (Amendment) order, 2004 issued by the Central Government of India in terms of Sub-Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Reference is invited to the following Notes:
  - 4.1. Note 4 on Schedule 19 regarding non-ascertainment of break up value of certain unquoted investments and its consequential effect of the year-end carrying value and of its corresponding effect on the Company's net worth and results.
  - 4.2. Note 15 on Schedule 19 regarding accounting of royalty income.
  - 4.3. The collection from the franchisees have been shown as aggregate of collection as received by them independently and the expenses as incurred by the Company over the same have been booked accordingly as expenditure for generating such revenue resulting the differences accruing as net income to the Company. Revenue from the operation in Profit & Loss Accounts of the Company includes Fees collected from students by the Franchises independently amounting Rs. 197928k and Course execution and development expenses shown in the Profit & Loss Account includes Rs. 183389k incurred or paid by the Franchises independently based on the account statement of the Franchises.
5. Further to our comments in the Annexure referred in Paragraph 3 above and subject to the Notes referred in Paragraph 4 above, we report that:
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit except as indicated in paragraph 4.2 above.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of accounts.
  - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956.
  - e) On the basis of written representations received from the directors of the Company and taken on record by the Board of Directors, we report that none of the directors is

disqualified as on 31st March 2010 from being appointed as a Director in terms of Clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956.

- f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the notes thereon/attached thereto, subject to paragraph 4.1 and 4.2 above, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
- i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010
  - ii) in the case of the Profit and Loss Account, of the Loss for the year ended on the date, and
  - iii) in the case of Cash Flow Statement, of the Cash Flow for the year ended on that date

Kolkata  
23rd August, 2010

**M.K. BUDHIA**  
Proprietor  
For and on behalf of  
**BUDHIA & COMPANY**  
Chartered Accountants  
Membership No. 55197

## ANNEXURE TO THE AUDITORS REPORT

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) Fixed assets have been physically verified by the management according to the regular programme of periodical verification in phased manner which in our opinion is responsible having regard to the size of the Company and the nature of Fixed Assets. The discrepancies noticed on such physical verification were not material.
- (c) During the year, Company has not disposed of any substantial/major part of fixed assets.
2. (a) The inventory of the Company, has been physically verified by the management at reasonable intervals.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- (c) The company is maintaining proper records of inventory. The discrepancies noticed on such physical verification of inventory as compared to book records were not material.
3. The Company has neither granted nor taken any loans, secured or unsecured to and from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the other clauses are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control.
5. On the basis of our examination of the books of accounts, the company has not entered into any transactions exceeding Rs. 5 lacs in respect of any party during the financial year that needs to be entered into a register maintained under section 301 of the Companies Act, 1956.
6. The Company has not accepted any deposits under the provisions of Section 58A and 58AA or any other relevant provisions and the rules framed thereunder.
7. In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
8. In our opinion and according to information and explanations given to us, the maintenance of cost records has not been prescribed by the Central Government under section 209(1) (d) of the Companies Act, 1956. Accordingly this clause is not applicable to the Company.
9. According to the information and explanations given to us, in respect of statutory and other dues.
  - (a) The Company has been regular in depositing with appropriate authorities undisputed statutory dues including investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and any other statutory dues.
  - (b) According to the information and explanations given to us, the following disputed amounts have not been deposited by the company:

| Particulars | Period to which the amount relates<br>(Financial Year) | Forum where dispute is pending | Amount<br>Rs. in Thousand |
|-------------|--|--------------------------------|---------------------------|
| Income Tax  | 2000 - 01  | C. I. T. - appeal              | 12064                     |

- (c) According to information and explanations given to us, apart from above, there are no



dues of income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess which have not been deposited on account of any dispute.

10. The Company's accumulated loss is not more than 50% of its net worth as on 31.3.2010. The Company has not incurred any cash losses in the current financial year and in the immediately preceding financial year.
11. According to the records of the company examined by us and the information and explanations given to us the company has not defaulted in repayment of any dues to financial institutions or banks or debenture holders.
12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to Chit Fund nidhi or mutual benefit fund / societies are not applicable to the Company.
14. Based on the records examined by us and according to information and explanations given to us, we are of the opinion that the company is maintaining proper record of the transactions and contracts of dealing in shares and securities and that timely entries have been made and the shares and securities have been held by the company in its own name.
15. According to the information and explanations, given to us, the Company has not given any guarantees for loans taken by others from banks and financial institutions.
16. The Company did not have any term loan outstanding during the year.
17. According to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, no funds raised on short-term basis have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to any parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.
19. According to the information and explanations given to us, the company has not issued debentures.
20. The Company has not raised any money through a public issue during the year.
21. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

Kolkata  
23rd August, 2010

**M.K. BUDHIA**  
Proprietor  
For and on behalf of  
**BUDHIA & COMPANY**  
Chartered Accountants  
Membership No. 55197

## LCC INFOTECH LIMITED

### BALANCE SHEET AS AT 31ST MARCH, 2010

|   | Schedule | 2010<br>Rs.' 000 | 2009<br>Rs.' 000 |
|---|----------|------------------|------------------|
| <b>Sources of Funds</b>                     |          |                  |                  |
| <b>Shareholders' Funds</b>                  |          |                  |                  |
| Share Capital                               | 1        | 253,187          | 253,187          |
| Reserves and Surplus                        | 2        | 400,665          | 400,665          |
|   |          | <b>653,852</b>   | <b>653,852</b>   |
| <b>Application of Funds</b>                 |          |                  |                  |
| <b>Fixed Assets</b>                         |          |                  |                  |
| Gross Block                                 | 3        | 147,544          | 157,593          |
| Less : Depreciation                         |          | 118,812          | 115,843          |
| Net Block                                   |          | <b>28,732</b>    | <b>41,750</b>    |
| <b>Investments</b>                          | 4        | 204,781          | 203,381          |
| <b>Current Assets, Loans and Advances</b>   |          |                  |                  |
| Inventories                                 | 5        | 11,493           | 11,031           |
| Sundry Debtors                              | 6        | 174,868          | 159,594          |
| Cash and Bank Balances                      | 7        | 463              | 354              |
| Other Current Assets                        | 8        | 809              | 612              |
| Loans and Advances                          | 9        | 190,634          | 198,071          |
|   |          | <b>378,267</b>   | <b>369,662</b>   |
| Less : Current Liabilities and Provisions   | 10       | 10,240           | 13,579           |
| <b>Net Current Assets</b>                   |          | <b>368,027</b>   | <b>356,083</b>   |
| Profit & Loss Account (as per annexed a/c.) |          | 52,312           | 52,639           |
|   |          | <b>653,852</b>   | <b>653,852</b>   |
| Notes on Accounts                           | 19       |                  |                  |

The Schedules referred to above form an integral part of the Balance Sheet of the Company. This is the Balance Sheet referred to in our Report of even date.

For and on behalf of Board of Directors

#### **M.K.BUDHIA**

Proprietor  
Chartered Accountants  
**BUDHIA & CO.**  
Chartered Accountants  
Membership No:55197  
Kolkata  
23rd August, 2010

Kirti Lakhotia - **Managing Director**

Sidharth Lakhotia - **Director & CEO**

P. N. Roy Choudhary - **Company Secretary**

## LCC INFOTECH LIMITED

### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

|  | Schedule | 2010<br>Rs.' 000 | 2009<br>Rs.' 000 |
|--|----------|------------------|------------------|
| <b>Income</b>                                      |          |                  |                  |
| Revenue from Operations                            | 11       | 201,915          | 204,734          |
| Other Income                                       | 12       | 1,319            | 1,686            |
| Interest   | 13       | 153              | 199              |
| Increase/(Decrease) in Stocks                      |          | 462              | (1,496)          |
|  |          | <u>203,849</u>   | <u>205,123</u>   |
| <b>Expenditure</b>                                 |          |                  |                  |
| Course Execution Expenses                          |          |                  |                  |
| Development, Production and Execution              | 14       | 183,389          | 182,682          |
| Personnel  | 15       | 3,936            | 5,164            |
| Administration and Others                          | 16       | 4,626            | 2,933            |
| Marketing  | 17       | 484              | 348              |
| Provision  | 18       | 8,119            | 4,051            |
|  |          | <u>200,554</u>   | <u>195,178</u>   |
| <b>Profit / (Loss) Before Tax and Depreciation</b> |          | <b>3,295</b>     | <b>9,945</b>     |
| Depreciation                                       |          | 2,969            | 9,730            |
| <b>Profit / (Loss) Before Tax</b>                  |          | <b>326</b>       | <b>215</b>       |
| Provision for Tax                                  |          |                  |                  |
| - Current Tax                                      |          | -                | -                |
| - Frindge Benefit Tax                              |          | -                | 35               |
| <b>Profit/ (Loss) After Tax</b>                    |          | <b>326</b>       | <b>180</b>       |
| Sales Return                                       |          | 0                | 0                |
| Balance brought forward from Previous Year         |          | (52,638)         | (52,818)         |
| <b>Profit/ (Loss) Available For Appropriation</b>  |          | <b>(52,312)</b>  | <b>(52,638)</b>  |
| <b>Appropriations</b>                              |          |                  |                  |
| Balance carried forward to Balance Sheet           |          | <u>(52,312)</u>  | <u>(52,638)</u>  |
| <b>Notes on Accounts</b>                           | 19       |                  |                  |

The schedules referred to above form an integral part of the Profit and Loss Account of the Company. This is the Profit & Loss Account referred to in our Report of even date.

For and on behalf of Board of Directors

#### M.K.BUDHIA

Proprietor  
Chartered Accountants  
**BUDHIA & CO.**  
Chartered Accountants  
Membership No:55197  
Kolkata  
23rd August, 2010

Kirti Lakhotia - **Managing Director**

Sidharth Lakhotia - **Director & CEO**

P.N.Roy Choudhary - **Company Secretary**

## LCC INFOTECH LIMITED

SCHEDULE annexed to and forming part of the Balance Sheet as at 31st March, 2010

|  | 2010<br>Rs. '000 | 2009<br>Rs. '000 |
|--|------------------|------------------|
| <b>1. Share Capital</b>                  |                  |                  |
| <b>Authorised</b>                        |                  |                  |
| 255000000 Equity Shares of Rs. 2/- each  | <u>510,000</u>   | <u>510,000</u>   |
| <b>Issued,Subscribed and Paid up</b>     |                  |                  |
| 126593350 Equity Shares of Rs.2/- each   | <u>253,187</u>   | <u>253,187</u>   |
|  | <u>253,187</u>   | <u>253,187</u>   |
| <b>2. Reserves and Surplus</b>           |                  |                  |
| Reserve Fund                             | 70               | 70               |
| Securities Premium                       | 400,595          | 400,595          |
| Profit & Loss A/c. (as per annexed A/c.) | -                | -                |
|  | <u>400,665</u>   | <u>400,665</u>   |

**LCC INFOTECH LIMITED**

SCHEDULES annexed to and forming part of the Balance Sheet as at 31st March

**3 Fixed Asset**

| Particulars             | GROSS BLOCK            |              |               |                        | As on 31st March, 2010 |
|-------------------------|------------------------|--------------|---------------|------------------------|------------------------|
|                         | As on 31st March, 2009 | Additions    | Deductions    | As on 31st March, 2010 |                        |
| <b><u>Tangibles</u></b> |                        |              |               |                        |                        |
| Building                | 41,449                 | -            | 11,400        | 30,049                 |                        |
| Plant & Machinery       | 1,642                  | 103          | -             | 1,745                  |                        |
| Computer                | 80,411                 | 26           | -             | 80,437                 |                        |
| Vehicles                | 2,884                  | 1,222        | -             | 4,106                  |                        |
| Furniture and Fixture   | 31,207                 | -            | -             | 31,207                 |                        |
|                         | 157,593                | 1,351        | 11,400        | 147,544                |                        |
| <b>TOTAL</b>            | <b>157,593</b>         | <b>1,351</b> | <b>11,400</b> | <b>147,544</b>         | <b>1</b>               |
| <b>Previous year</b>    | <b>156,738</b>         | <b>855</b>   | <b>-</b>      | <b>157,593</b>         | <b>1</b>               |

## LCC INFOTECH LIMITED

### SCHEDULE annexed to and forming part of Balance Sheet as at 31st March 2010

| 4. Investments  | No. of equity<br>shares of Rs. 10/-<br>each fully paid-up<br>unless otherwise<br>specified | 2010<br>Rs. '000 | 2009<br>Rs. '000 |
|---|--|------------------|------------------|
| <b>A. Quoted</b>  |  |                  |                  |
| Long Term Investments-at cost                               |  |                  |                  |
| NIIT Limited  | 100  | 215              | 215              |
| Universal Media Limited<br>Shares of Re.2/- each fully paid | 782425   | 2504             | 2504             |
| ATN International Limited                                   | 334980   | 3182             | 3182             |
| R.S.Software Limited  | 1500   | 823              | 823              |
| Tata Iron & Steel Company Limited                           | 7500   | 684              | 684              |
| Ranbaxy Laboratories Limited                                | 3000   | 1350             | 1350             |
| Videocon Industries Limited                                 | 100  | 23               | 0                |
|   |  | <b>8781</b>      | <b>8758</b>      |
| <b>B. Unquoted</b>  |  |                  |                  |
|   | <u>No. of Share</u>  | <u>2010</u>      | <u>2009</u>      |
| Abex Infocom Pvt. Ltd.                                      | 50000  | 2500             | 2500             |
| Apex Infocom Services Pvt. Ltd.                             | 40000  | 2000             | 2000             |
| Aradhana Vyapar Pvt. Ltd.                                   | 36000  | 1800             | 1800             |
| Champak Niketan Pvt. Ltd.                                   | 30000  | 1500             | 1500             |
| Destiny International Ltd.                                  | 100000   | 5000             | 5000             |
| Galvenotek Industries Pvt. Ltd.                             | 130000   | 6500             | 6500             |
| Goldwine Merchandise Pvt. Ltd.                              | 20000  | 1000             | 1000             |
| Heritage Promoters & Estates Pvt. Ltd.                      | 18000  | 900              | 900              |
| Indivar Kutir Pvt. Ltd.                                     | 30000  | 1500             | 1500             |
| Jhalar Vincom Pvt. Ltd.                                     | 36000  | 1800             | 1800             |
| Lokpriya Trade & Agency Pvt. Ltd.                           | 30000  | 1500             | 1500             |
| Nathoo Commodities Pvt. Ltd.                                | 40000  | 2000             | 2000             |
| Nutshell Vyapar Pvt. Ltd.                                   | 80000  | 4000             | 4000             |
| Omega Ventures Pvt. Ltd.                                    | 60000  | 3000             | 3000             |
| Pentacon Plastic Co. Pvt. Ltd.                              | 36000  | 1800             | 1800             |
| PKV Spun Pipe Impex Pvt. Ltd.                               | 36000  | 1800             | 1800             |
| Pushpak Trading & Consultancy Pvt. Ltd.                     | 82000  | 4100             | 4100             |
| Sadhana Towers Pvt. Ltd.                                    | 18000  | 900              | 900              |
| Shalu Properties Pvt. Ltd.                                  | 18000  | 900              | 900              |
| Shivganga Distributors Pvt. Ltd                             | 30000  | 1500             | 1500             |
| Skylark Commerce Pvt. Ltd.                                  | 50000  | 2500             | 2500             |
| Shree Agro Industries Ltd.                                  | 711600   | 17790            | 17790            |
| Swarnima Properties Pvt. Ltd.                               | 50000  | 2500             | 2500             |
| Tayal Trading Pvt. Ltd.                                     | 40000  | 2000             | 2000             |
| Top Light Tradelink Pvt. Ltd.                               | 100000   | 5000             | 5000             |
| Triplerank Marketing Pvt. Ltd.                              | 30000  | 1500             | 1500             |
| Twinkle Traders Pvt. Ltd.                                   | 40000  | 2000             | 2000             |
| Vijay Path Distributors Ltd.                                | 52000  | 2600             | 2600             |
| Lakhotia Computer Centre Ltd.<br>(Shares of Rs. 100/- each) | 2400   | 240              | 240              |
| Vijay Investment & Trading Pvt. Ltd.                        | 55500  | 2775             | 2775             |
| The Thermic Steel Co. Pvt. Ltd.                             | 53000  | 2650             | 2650             |
| Pleasure Investment Pvt. Ltd                                | 102300   | 5115             | 5115             |
| Carried forward   |  | <b>92670</b>     | <b>92670</b>     |

|   | No. of equity<br>shares of Rs. 10/-<br>each fully paid-up<br>unless otherwise<br>specified | 2010<br>Rs. '000 | 2009<br>Rs. '000 |
|---|--|------------------|------------------|
| <b>B. Unquoted<br/>Brought over</b>           |  | <b>92,670</b>    | <b>92,670</b>    |
| Escorts Trade Link Pvt. Ltd                   | 74000  | 3,700            | 3,700            |
| Platinum BioTech Pvt. Ltd.                    | 7500   | 600              | 600              |
| Mansingh Oils & Grains Pvt. Ltd .             | 391967   | 29,398           | 29,398           |
| Ashoke Paper Mills Ltd.                       | 150000   | 1,500            | 1,500            |
| Rolex Merchant Pvt. Ltd.                      | 2800   | 2,800            | 2,800            |
| Shyam Sree Steels Ltd.                        | 1790   | 90               | 90               |
| Dhansafal Vyapaar Pvt. Ltd.                   | 49000  | 1,490            | 1,490            |
| Ojas Suppliers Ltd.                           | 26000  | 637              | 637              |
| Hanurag Projects Pvt. Ltd.                    | 87850  | 3,777            | 3,777            |
| Turnkey Commodities Ltd.                      | 104500   | 3,657            | 3,657            |
| Rubion Marketing Ltd.                         | 30000  | 1,170            | 1,170            |
| Sudhanil Vanijya Ltd.                         | 29050  | 551              | 551              |
| Weldorf Tradelink Ltd.                        | 15000  | 465              | 465              |
| Whiteline Barter Ltd.                         | 15000  | 480              | 480              |
| Sapience Commodities Pvt. Ltd.                | 25500  | 842              | 842              |
| Raunak Tracon Pvt. Ltd.                       | 42550  | 1,957            | 1,957            |
| Rangbarshi Projects Ltd.                      | 60000  | 4,820            | 4,820            |
| Alkon Trading Pvt. Ltd.                       | 26000  | 884              | 884              |
| Gurupath Merchandise Pvt. Ltd.                | 25000  | 675              | 675              |
| StarPointManagement Pvt. Ltd.                 | 29000  | 2,160            | 2,160            |
| Bhairav Trade Link Ltd.                       | 4000   | 132              | 132              |
| Aristro Projects Ltd.                         | 45650  | 2,054            | 2,054            |
| Cascade Dealcom Pvt. Ltd.                     | 93450  | 3,087            | 3,087            |
| Jeet Vaniya Ltd.                              | 36000  | 1,278            | 1,278            |
| Mangalmayee Garment Pvt. Ltd .                | 16000  | 1,376            | 1,376            |
| Celeste Merchandise Pvt. Ltd.                 | 12258  | 380              | 403              |
| Ricon Tieup Ltd.                              | 50000  | 5,000            | 5,000            |
| Sheetal Farms Ltd.                            | 50000  | 5,000            | 5,000            |
| Savera Traders Ltd.                           | 29750  | 2,975            | 2,975            |
| Jmd Sounds Ltd.                               | 57750  | 577              | 577              |
| eLcc Info.com Limited<br>(Subsidiary Company) | 1841750  | 18,418           | 18,418           |
|   |  | <b>194,600</b>   | <b>194,623</b>   |

**C. Mutual Fund**

|                                   | 2010<br>Rs. '000 | 2009<br>Rs. '000 |
|-----------------------------------|------------------|------------------|
| Birla Dividend Yeild              | 100              | -                |
| Birla Savings Fund                | 200              | -                |
| Birla Sunlife MIP II              | 200              | -                |
| ICICI Pru Discovery Fund          | 200              | -                |
| Principal emerging Blue Chip Fund | 200              | -                |
| HSFC Top 200 Fund                 | 200              | -                |
| Templeton Short Term Fund         | 100              | -                |
| HDFC MIP Long Term Fund           | 200              | -                |
|                                   | <b>1,400</b>     | <b>-</b>         |

Grand Total (A+B+C)

204,781

203,381

Market Value of Quoted Investment as of 31st March 2010 :

|                         | Book Value | Market Value | Surplus /(Deficit) |
|-------------------------|------------|--------------|--------------------|
| Equity Shares (Quoted ) | 8781       | 6962         | (1,819)            |
| Mutual Fund             | 1400       | 1388         | (12)               |

According to Board of Directors, diminution in the Market value of Investments in Equity Shares is not of a permanent nature and no provision is made into Accounts.

**LCC INFOTECH LIMITED****SCHEDULE annexed to and forming part of the Balance Sheet as at 31st March, 2010**

|   | <b>2010</b>    | <b>2009</b>    |
|---|----------------|----------------|
| <b>5. Inventories</b>   | Rs. '000       | Rs. '000       |
| Software  | 7,609          | 7,609          |
| Education and Training Materials  | 3,069          | 2,607          |
| Computers   | 815            | 815            |
|   | <u>11,493</u>  | <u>11,031</u>  |
| <b>6. Sundry Debtors</b>  |                |                |
| Unsecured, considered good  |                |                |
| Outstanding for a period exceeding six months   | 149,197        | 145,710        |
| Other Debts   | 25,671         | 13,884         |
|   | <u>174,868</u> | <u>159,594</u> |
| <b>7. Cash and Bank Balances</b>  |                |                |
| Cash in hand (as certified by the management)   | 53             | 81             |
| Cash at Bank with Scheduled Banks :   |                |                |
| In Current Accounts   | 410            | 273            |
|   | <u>463</u>     | <u>354</u>     |
| <b>8. Other Current Assets</b>  |                |                |
| Unsecured-Considered good   |                |                |
| TDS on Rent - Receivable  | 519            | 322            |
| Interest Accrued on Loans and Deposits  | 290            | 290            |
|   | <u>809</u>     | <u>612</u>     |
| <b>9. Loans and Advances</b>  |                |                |
| Unsecured-Considered good   |                |                |
| Loans to Bodies Corporate   | 8,120          | 9,827          |
| Loans to Others   | 2,142          | 2,094          |
| Security Deposits   | 946            | 866            |
| Application money towards subscription of shares  |                |                |
| Advances Recoverable in cash or in kind<br>or value to received (Note 7 on Schedule 19) | 179,426        | 185,284        |
|   | <u>190,634</u> | <u>198,071</u> |
| <b>10. Current Liabilities &amp; Provisions</b>   |                |                |
| <b>A. Current Liabilities</b>   |                |                |
| Sundry Creditors and Accrued Expenses   | 5,085          | 4,054          |
| Other Liabilities   | 3,013          | 5,439          |
|   | <u>8,098</u>   | <u>9,493</u>   |
| <b>B. Provisions</b>  |                |                |
| Provision for Bad Debt  | 1,762          | 3,643          |
| Frindge Benefit Tax   | -              | 35             |
| Provision for Inventory - Software  | 380            | 380            |
| Provdent Fund   | -              | 28             |
|   | <u>-</u>       | <u>-</u>       |
|   | <u>2,142</u>   | <u>4,086</u>   |
| <b>(A + B)</b>  | <u>10,240</u>  | <u>13,579</u>  |



## LCC INFOTECH LIMITED

Schedules annexed to and forming part of the Profit & Loss Account for the year ended 31st March, 2010

|  | 2010<br>Rs.' 000 | 2009<br>Rs.' 000 |
|--|------------------|------------------|
| <b>11. Revenue From Operations</b>                     |                  |                  |
| Income from Franchisee<br>(Notes 1.5.4 of Schedule 19) | 197,928          | 200,076          |
| Franchisee Registration/Renewal                        | 874              | 267              |
| Sale of Course Materials and other materials           | 532              | 499              |
| Income from Projects                                   | 2,166            | 1,396            |
| Claim from Directorate of Employment                   | 335              | -                |
| Annual Maintenance Contract                            | 80               | -                |
| Sale of Computer                                       | -                | 2,496            |
|  | <u>201,915</u>   | <u>204,734</u>   |
| <b>12. Other Income</b>                                |                  |                  |
| Rent   | 1,189            | 1,667            |
| Dividend   | 28               | 0                |
| Miscellaneous Income                                   | 102              | 19               |
|  | <u>1,319</u>     | <u>1,686</u>     |
| <b>13. Interest</b>                                    |                  |                  |
| Interest Income :                                      | 153              | 199              |
|  | <u>153</u>       | <u>199</u>       |
| <b>14. Development, Production and Execution</b>       |                  |                  |
| Study and Training Materials                           | 183,389          | 182,635          |
| Purchase & Other Charges                               | -                | 47               |
|  | <u>183,389</u>   | <u>182,682</u>   |
| <b>15. Personnel</b>                                   |                  |                  |
| Salary   | 3,806            | 5,030            |
| Contribution to Provident Fund                         | 10               | 20               |
| Gratuity   | -                | 8                |
| Staff Welfare Expenses                                 | 120              | 106              |
|  | <u>3,936</u>     | <u>5,164</u>     |
| <b>16. Administration and Others</b>                   |                  |                  |
| Travelling and Conveyance                              | 661              | 454              |
| Audit Fees   | 31               | 21               |
| Electricity  | 330              | 316              |
| Legal and Professional Expenses                        | 358              | 319              |
| Miscellaneous Expenses                                 | 216              | 139              |
| Rates and Taxes  | 17               | 68               |
| Rent   | 109              | 32               |
| Repairs & Maintenance                                  | 632              | 340              |
| Communication  | 438              | 318              |
| Interest (Bank Overdraft & Others )                    | 140              | 80               |
| Registration Fees                                      | 589              | -                |
| Books & Periodical                                     | 35               | 3                |
| Postage & Telegram                                     | 84               | 71               |
| Printing & Stationery                                  | 327              | 294              |
| Carriage Outward                                       | 25               | 33               |
| Professional Fees                                      | 140              | 140              |
| Listing & Coustidial Fees                              | 259              | 210              |

|                          |              |              |
|--------------------------|--------------|--------------|
| Commission and Incentive | 20           | -            |
| Bank Charges             | 21           | 22           |
| General Expenses         | 194          | 74           |
|                          | <u>4,626</u> | <u>2933</u>  |
| <b>17. Marketing</b>     |              |              |
| Advertisement            | 378          | 165          |
| Business Promotion       | 106          | 183          |
|                          | <u>484</u>   | <u>348</u>   |
| <b>18. Provision</b>     |              |              |
| Provision Created        |              |              |
| - Inventory Software     | -            | 380          |
| - Provident Fund Payable | -            | 28           |
| - Bad Debt               | 8,119        | 3,643        |
|                          | <u>8,119</u> | <u>4,051</u> |

## LCC INFOTECH LIMITED

**Schedules annexed to and forming part of the Accounts for the year ended 31st March 2010.**

### 19. Notes on Accounts

#### 1 Significant Accounting Policies

##### 1.1 Fixed Assets

Fixed Assets (tangible and intangible) are stated at cost of acquisition. Cost Comprises purchase price and attributable cost.

##### 1.2 Depreciation

1.2.1 Depreciation on straight-line basis is provided on tangible Fixed Assets in the manner and at rates as per Schedule XIV of the Companies Act, 1956.

1.2.2 The management has decided to periodically review the useful life of intangible assets in the form of brand and trade name as also the rights under the franchisee agreements, so as to amortize the related cost on a prudent basis over a few years from the date of acquisition of the related assets.

##### 1.3 Investments

Investments (stated at cost) have been classified as Long Term Investments in accordance with the Accounting Standards - 13 issued by the Institute of Chartered Accountants of India. Gains / Losses on disposal of Investments are recognized as income / expenditure. Dividends are accounted for when received.

##### 1.4 Inventories

The year-end inventory items are valued at lower of cost (determined on the weighted average method) or net realisable value.

##### 1.5 Recognition of Income and Expenditure

1.5.1 Items of income and expenditure are recognised on accrual and prudent basis.

1.5.2 The revenue in respect of sale of courseware is recognised on delivery of the material to the customer whereas the revenue from tuition activity is recognised over the period of course programme.

1.5.3 Franchisee registration fees are recognised on execution of the related agreement with the franchisees.

1.5.4 Royalty at rates agreed with the franchisees is recognised on receipt of the related statement of gross collection from the franchisees.

1.5.5 In respect of sale of Software, the revenue arises and is recognised on delivery of the same.

1.6 Research and Development.

Equipment purchased by the Company for Research and Development purposes are capitalised in the year of acquisition and included in fixed assets. All other revenue expenses incurred for Research and developmental activities are charged to the Profit and Loss Account for the year.

1.7 Retirement Benefits

Retirement benefits to employees towards Gratuity and Leave Encashment (based on year-end valuation) are accounted for on accrual basis.

1.8 Miscellaneous Expenditure

1.8.1 Preliminary expenses are written off over a period of ten years from the year of incurring such expenditure.

1.8.2 Technical Know-how acquired is written off over the years for which benefits are expected to be derived.

2. The Company was registered as a Non Banking Financial Company with the Reserve Bank of India. Consequent to the alteration of the object clause of the Memorandum of Association B45 of Association of the Company and the acquisition of business of the Lakhotia Computer Centre, the Company is no longer a Non Banking Financial Company and has applied to the Reserve Bank of India for deregistration. Necessary approval of the Reserve Bank of India is awaited.

3. Additional information pursuant to the provisions of Part -II of Schedule - VI to the Companies Act, 1956.

Value in Rs.'000

|              | Opening Balance |       | Production/Purchase |       | Turnover |       | Closing Stock |       |
|--------------|-----------------|-------|---------------------|-------|----------|-------|---------------|-------|
|              | Nos             | Value | Nos                 | Value | Nos      | Value | Nos           | Value |
| 1. Software  | 952             | 7609  | -                   | -     | -        | -     | 952           | 7609  |
| 2. Books     | 11585           | 2607  | 104                 | 462   | -        | -     | 11689         | 3069  |
| 3. Computers | -               | 815   | -                   | -     | -        | -     | -             | 815   |

4. In the absence of latest audited accounts, it has not been possible to ascertain the break up value of certain long term unquoted Investments (Book Value - Rs. 1,94,623 thousands, 2009 - Rs 1,94,600 thousands) and its consequential effect on carrying value. In respect of quoted Investment i.e. Equity Share and Mutual Fund no provision has been made in the accounts for diminution in value to the tune of Rs 1819 thousand and Rs. 12 thousand respectively.

5. Consequent to the issuance of mandatory Accounting Standard (AS-22) - "Accounting for taxes on Income" by the Institute of Chartered Accountants of India which states that deferred tax should be recognized based on timing difference between the accounting income and the taxable income for the year and quantify the same using the tax rates and laws enacted or substantively enacted as at the Balance Sheet date. Deferred tax assets are recognised and carried forward only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. However there is no such virtual certainty for future taxable income, so no provision has been made in the books.

6. Estimated amount of contracts remaining to be executed on Capital account (Net of Advances) Rs. Nil (2009 - Rs. Nil)
7. Liability of Contingent in Nature was not readily available (2009 - Rs Nil)
8. FOB value of exports Rs Nil (2009 - Rs Nil)
9. Expenditure in foreign Currency Rs. Nil (2009 - Rs. Nil)
10. The total amount of Directors' Remuneration charged in these accounts is Rs. 1560 thousands (2009 - Rs. 480 thousands) under salary head in Personnel.
11. There is no small-scale industrial undertaking on the basis of information available with the company to whom the company owes a sum, which is outstanding for more than 30 days as at the balance sheet date.
12. Related Party Disclosures, as required by AS - 18 'Related Party Disclosures' are given below:

I Relationships

- a) Where control exists  
eLCC Info. Com Limited  
Advertiser's Advertising Agency Limited
- b) Key Management Personnel  
Mrs. Kirti Lakhotia                      Advertiser's Advertising agency Limited (Formerly known as Lakhotia Computer Centre Limited, eLCC Info.com Limited)  
  
Mr. Sidharth Lakhotia                      Advertiser's Advertising agency Limited (Formerly known as Lakhotia Computer Centre Limited, eLCC Info.com Limited).  
  
Mr. Pratik Lakhotia                      eLCC Info.com Limited

II Related Party Balance as at the year-end

|                                     |   |
|-------------------------------------|---|
| eLCC Info.Com Ltd.                  | Advertiser's Advertising agency Limited<br>(Formerly known as Lakhotia Computer Centre Limited, |
| Advance (in Rs.) 89,70,498.00 (Cr.) | 31,41,652.75 (Dr.)  |

III Transactions with Key Management Personnel Remuneration (in Rs.) 480 thousands

13. Calculations in respect of earning per Share as required by Accounting standard (AS-20) issued by the ICAI.

|  | 31.03.2010 | 31.03.2009 |
|--|------------|------------|
| Net Profit as per Profit & loss Account Rs. in thousands | 326        | 215        |
| No. of Equity Shares Nos.                                | 126593350  | 126593350  |
| Earnings per Share (Basic & Diluted) Rs                  | 0.0026     | 0.00170    |

14. In terms of the existing agreements with the various franchisees, the Company is entitled to a royalty income based on a percentage of gross collections of these franchisees. The Company has however accounted for its income as "Collection from Franchisee Centres" based on statements received from franchisees.

15. Previous years' figures have been rearranged/regrouped where ever considered necessary.

**M. K. BHUDIA**  
Proprietor  
Chartered Accountants  
**BHUDIA & COMPANY**  
Chartered Accountants  
Membership No. - 55197  
23rd August, 2010

For and on behalf of Board of Directors

**Kirti Lakhotia** - Managing Director

**Sidharth Lakhotia** - Director & CEO

## LCC INFOTECH LIMITED

### Cash Flow Statement for the year ended 31st March, 2010 Pursuant to clause 32 of the Listing-Agreement

|  | 2010<br>Rs.'000 | 2009<br>Rs.'000 |
|--|-----------------|-----------------|
| A : Cash From Operating Activities                                     |                 |                 |
| Net Profit before Tax  | 298             | 215             |
| Adjustment for :   |                 |                 |
| Preliminary Expenses and Deferred Revenue                              | -               | -               |
| Loss on Sale of Shares   | -               | -               |
| Depreciation   | 2,969           | 9,730           |
| Dividend Received  | 28              | -               |
| Interest (Net )  | -               | -               |
| <b>Operating Profit before Working Capital Change</b>                  | <b>3,295</b>    | <b>9,945</b>    |
| Adjustment for :   |                 |                 |
| Trade and other Receivables  | (8,034)         | (11,162)        |
| Inventories  | (462)           | 1,496           |
| Trade Payables   | (3,339)         | 287             |
| <b>Cash Generated From Operations</b>                                  | <b>(8,540)</b>  | <b>566</b>      |
| Interest Paid  | -               | -               |
| Direct Tax/ FBT  | -               | (35)            |
| Prior Period Adjustment  | -               | -               |
| <b>Net Cash From Operating activities (A)</b>                          | <b>(8,540)</b>  | <b>531</b>      |
| B: Cash Flow from Investing Activities :                               |                 |                 |
| Purchase of Fixed Asset  | 10,049          | (855)           |
| Purchase/ Sale of Investments  | (1,400)         | -               |
| Advance for subscription of Shares                                     | -               | -               |
| Income from Investments  | -               | -               |
| Interest Received  | -               | -               |
| Dividend Received  | -               | -               |
| <b>Net Cash Flow from Investing Activities (B)</b>                     | <b>8,649</b>    | <b>(855)</b>    |
| C: Cash flow from Financing Activities                                 |                 |                 |
| Net increase in Borrowings   | -               | -               |
| Net cash from Financing Activities (C)                                 | -               | -               |
| <b>Net Decrease/Increase in Cash and Cash<br/>-Equivalents (A+B+C)</b> | <b>109</b>      | <b>(324)</b>    |
| Cash and cash equivalent on Opening date ( Note-1 )                    | 354             | 678             |
| Cash and cash equivalent on Closing date ( Note-1 )                    | 463             | 354             |
|  | <b>109</b>      | <b>(324)</b>    |
| 1. Cash and cash Equivalents include : -                               | <b>2010</b>     | <b>2009</b>     |
| Cash in Hand   | 53              | 81              |
| With Scheduled banks :   |                 |                 |
| On Current Accounts  | 410             | 273             |
|  | <b>463</b>      | <b>354</b>      |

2. The above Cash Flow statement has been prepared under the indirect method as set out in the Accounting. Standard 3 on Cash Flow Statements issued by the institute of Chartered Accountants of India.

For and on behalf of the Board of Directors

**Kirti Lakhota** - Managing Director

**Siddharth Lakhota** - Director & C.E.O.

**P. N. Roy Choudhury** - Company Secretary

Kolkata

Date : 23.08.2010

## AUDITORS' CERTIFICATE

The above Cash Flow Statement has been Complied from and is based on the Audited Accounts of LCC Infotech Limited for the Year ended 31st March, 2010 reported by us on even date . According to the information and explanations given, the aforesaid Cash Flow statement, read with notes thereon has been prepared pursuant to clause 32 of Listing Agreement with stock Exchanges and the reallocations required for the purpose are as made by the Company.

Kolkata  
23rd August, 2010

**M.K.BUDHIA**  
Proprietor  
Chartered Accountants  
**BUDHIA & CO.**  
Chartered Accountants  
Membership No:55197  
Kolkata

### LCC INFOTECH LTD

INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

|   |        |   |        |
|---|--------|---|--------|
| (a) Registration Details  |        |   |        |
| Registration No   | 73196  | State Code                                | 21     |
| Balance Sheet Date:31-March-2010  |        |   |        |
| (b) Capital raised during the period                                      |        |   |        |
| Public Issue  | -      | Rights Issue                              | -      |
| Bonus Issue   | -      | Private Placement                         | -      |
| (c) Position of Mobilisation and Deployment of Funds(Amt in Rs thousands) |        |   |        |
| Total Liabilities   | 653852 | Total Assets                              | 653852 |
| Sources of Funds:   |        |   |        |
| Paid up Capital   | 253187 | Reserve & Surplus                         | 400665 |
| Secured Loans   | -      | Unsecured Loans                           | -      |
| Application of Funds:   |        |   |        |
| Net Fixed Assets  | 28732  | Investments                               | 204781 |
| Net Current Assets  | 368027 | Misc Expenditure                          | -      |
| Accumulated Loss  | 52312  |   |        |
| (d) Performance of the Company(Amt in Rs thousands)                       |        |   |        |
| Total Income  | 203849 | Total Expenditure                         | 200554 |
| PBT   | 3295   | PAT                                       | 326    |
| EPS   | 0.0026 | Dividend Rate                             | -      |
| (e) Generic Names of three principal products/ services of the Company    |        |   |        |
| Product Description   |        | : Education, Training & Hardware          |        |
| Product Description   |        | : Systems Integration & Software Solution |        |

## AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors of LCC Infotech Limited and its subsidiary

1. We have examined the attached Consolidated Balance Sheet of LCC Infotech Limited and its subsidiary as at 31<sup>st</sup> March 2010 and also Consolidated Profit & Loss Account and Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the subsidiary company were audited by other auditors whose report have been furnished to us, and our opinion, in so far as it relates to the amount included in respect of the subsidiary company is based on the report of the auditors.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of Material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinion.
3. Reference is invited to the following Notes:
  - 3.1. Note 4 on Schedule 19 regarding non-ascertainment of break up value of certain unquoted investments and its consequential effect of the year end carrying value and of its corresponding effect on the Company's net worth and results
  - 3.2. Note 15 on Schedule 19 regarding Accounting of Royalty income.
4. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirement of Accounting Standard 21 'Consolidated Financial Statement' issued by the Institute of Chartered Accountants of India, on the basis of the individual statement of LCC Infotech Limited and its subsidiary Company included in the consolidated financial statement.
5. On the basis of the information and explanations given to us and on the consideration of separate audit reports and individual audited financial statement of LCC Infotech Limited and its subsidiary as at 31<sup>st</sup> March 2010, together with the notes referred to paragraph 3 above, in our opinion, the Consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - 5.1. in the case of Consolidated Balance Sheet of the Consolidated state of affairs of LCC Infotech Limited and its subsidiary as at 31<sup>st</sup> March 2010
  - 5.2. in the case of Consolidated Profit & Loss Account of the Consolidated result of the operations of LCC Infotech Limited and its subsidiary for the year ended on that date
  - 5.3. in the case of Consolidated Cash Flow Statement of LCC Infotech Limited and its subsidiary for the year ended on that date

Kolkata  
23rd August, 2010

**M. K. BUDHIA**  
Proprietor  
For and on behalf of  
**BUDHIA & COMPANY**  
Chartered Accountants  
Membership No. 55197

## LCC INFOTECH LIMITED & ITS SUBSIDIARY

BALANCE SHEET AS AT 31ST MARCH, 2010

|   | Schedule | 2010<br>Rs. '000 | 2009<br>Rs. '000 |
|---|----------|------------------|------------------|
| <b>Sources of Funds</b>                     |          |                  |                  |
| Shareholders' Funds                         |          |                  |                  |
| Share Capital                               | 1        | 253,189          | 253,189          |
| Reserves and Surplus                        | 2        | 400,665          | 400,665          |
|   |          | <u>653,854</u>   | <u>653,854</u>   |
| <b>Application of Funds</b>                 |          |                  |                  |
| <b>Fixed Assets</b>                         |          |                  |                  |
| Gross Block                                 | 3        | 147,544          | 157,593          |
| Less : Depreciation                         |          | 118,812          | 115,843          |
| Net Block                                   |          | <u>28,732</u>    | <u>41,750</u>    |
| <b>Investments</b>                          | 4        | 186,363          | 184,963          |
| <b>Current Assets, Loans and Advances</b>   |          |                  |                  |
| Inventories                                 | 5        | 11,493           | 11,031           |
| Sundry Debtors                              | 6        | 174,871          | 159,594          |
| Cash and Bank Balances                      | 7        | 463              | 361              |
| Other Current Assets                        | 8        | 809              | 612              |
| Loans and Advances                          | 9        | 205,640          | 213,077          |
|   |          | <u>393,276</u>   | <u>384,675</u>   |
| Less : Current Liabilities and Provisions   | 10       | 10,250           | 13,590           |
| <b>Net Current Assets</b>                   |          | <u>383,026</u>   | <u>371,085</u>   |
| <b>Miscellaneous Expenditure</b>            |          |                  |                  |
| Preliminary Expenses                        | 11       | 18               | 35               |
| Profit & Loss Account (as per annexed a/c.) |          | 55,715           | 56,021           |
| Notes on Accounts                           | 20       | <u>653,854</u>   | <u>653,854</u>   |

The Schedules referred to above form an integral part of the Balance Sheet of the Company. This is the Balance Sheet referred to in our Report of even date.

For and on behalf of Board of Directors

**M.K.BUDHIA**

Proprietor  
Chartered Accountants

**BUDHIA & CO.**

Chartered Accountants  
Membership No:55197  
Kolkata

Date: 23.08.2010

Kirti Lakhota - **Managing Director**

Sidharth Lakhota - **Director & C.E.O.**

P. N. Roy Choudhary - **Company Secretary**



**LCC INFOTECH LIMITED & ITS SUBSIDIARY**

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

|  | <b>Schedule</b> | <b>2010</b>    | <b>2009</b>    |
|--|-----------------|----------------|----------------|
|  |                 | Rs. '000       | Rs. '000       |
| <b>Income</b>                                      |                 |                |                |
| Revenue from                                       |                 |                |                |
| Operations   | 12              | 201915         | 204734         |
| Other Income                                       | 13              | 1319           | 1686           |
| Interest   | 14              | 153            | 199            |
| Increase/(Decrease) in Stocks                      |                 | 462            | (1496)         |
|  |                 | 203849         | <u>205123</u>  |
| <b>Expenditure</b>                                 |                 |                |                |
| Course Execution Expenses                          |                 |                |                |
| Development, Production and Execution              | 15              | 183389         | 182682         |
| Personnel  | 16              | 3936           | 5164           |
| Administration and Others                          | 17              | 4646           | 2953           |
| Marketing  | 18              | 484            | 348            |
| Provision  | 19              | 8119           | 4051           |
| Loss on Sale of Shares                             |                 | 200574         | <u>195198</u>  |
| <b>Profit / (Loss) Before Tax and Depreciation</b> |                 | 3275           | 9925           |
| Depreciation                                       |                 | 2969           | 9730           |
| <b>Profit / (Loss) Before Tax</b>                  |                 | 306            | 195            |
| Provision for Tax                                  |                 | -              | -              |
| - Current Tax                                      |                 | -              | -              |
| - Fringe Benefit Tax                               |                 | -              | 35             |
| <b>Profit/ (Loss) After Tax</b>                    |                 | <u>306</u>     | <u>160</u>     |
| Sales Return                                       |                 | -              | -              |
| Balance brought forward from Previous Year         |                 | <u>(56021)</u> | <u>(56181)</u> |
| <b>Profit/ (Loss) Available For Appropriation</b>  |                 | (55715)        | (56,021)       |
| <b>Appropriations</b>                              |                 |                |                |
| Balance carried forward to Balance Sheet           |                 | <u>(55715)</u> | <u>(56021)</u> |

**Notes on Accounts**

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The schedules referred to above form an integral part of the Profit and Loss Account of the Company. This is the Profit and Loss Account referred to in our Report of even date.

**M. K. BUDHIA**

Proprietor

Chartered Accountants

**BUDHIA & CO.**

Chartered Accountants

Membership No:55197

Kolkata

Date: 28.08.2010

For and on behalf of the board of directors

**Kriti Lakhota** - Managing Director**Siddharth Lakhota** - Director & C.E.O.**P. N. Roy Chowdhury** - Company Secretary

**LCC INFOTECH LIMITED & ITS SUBSIDIARY**

SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

|  | <b>2010</b><br>Rs. '000 | <b>2009</b><br>Rs. '000 |
|--|-------------------------|-------------------------|
| <b>1. Share Capital</b>                  |                         |                         |
| <b>Authorised</b>                        |                         |                         |
| 255000000 Equity Shares of Rs.2/- each   | <u>510,000</u>          | <u>510,000</u>          |
| <b>Issued,Subscribed and Paid up</b>     |                         |                         |
| 126593350 Equity Shares of Rs.2/- each   | 253,187                 | 253,187                 |
| 250 Equity Shares of Rs.10/- each        | 2                       | 2                       |
|  | <u>253,189</u>          | <u>253,189</u>          |
| <b>2. Reserves and Surplus</b>           |                         |                         |
| Reserve Fund                             | 70                      | 70                      |
| Securities Premium                       | 400,595                 | 400,595                 |
| Profit & Loss A/c. (as per annexed A/c.) | -                       | -                       |
|  | <u>400,665</u>          | <u>400,665</u>          |

**LCC INFOTECH LIMITED & ITS SUBSIDIARY**

SCHEDULES annexed to and forming part of the Balance Sheet as at 31st March, 2010

**3 Fixed Asset**

Rs.' 000

| Particulars           | GROSS BLOCK            |              |               | DEPRECIATION           |                        |            | NETBLOCK     |                        |                        |
|-----------------------|------------------------|--------------|---------------|------------------------|------------------------|------------|--------------|------------------------|------------------------|
|                       | As on 31st March, 2009 | Additions    | Deductions    | As on 31st March, 2010 | As on 31st March, 2009 | Adjustment | For the Year | As on 31st March, 2010 | As on 31st March, 2009 |
| <b>Tangibles</b>      |                        |              |               |                        |                        |            |              |                        |                        |
| Building              | 41,449                 | -            | 11,400        | 30,049                 | 5,777                  | -          | 629          | 6,406                  | 35,672                 |
| Plant & Machinery     | 1,642                  | 103          | -             | 1,745                  | 708                    | -          | 82           | 790                    | 934                    |
| Computer              | 80,411                 | 26           | -             | 80,437                 | 80,410                 | -          | 3            | 80,413                 | 1                      |
| Vehicles              | 2,884                  | 1,222        | -             | 4,106                  | 1,743                  | -          | 280          | 2,023                  | 1,141                  |
| Furniture and Fixture | 31,207                 | -            | -             | 31,207                 | 27,205                 | -          | 1,975        | 29,180                 | 4,002                  |
|                       | 157,593                | 1,351        | 11,400        | 147,544                | 115,843                | -          | 2,969        | 118,812                | 41,750                 |
| <b>TOTAL</b>          | <b>157,593</b>         | <b>1,351</b> | <b>11,400</b> | <b>147,544</b>         | <b>115,843</b>         | <b>-</b>   | <b>2,969</b> | <b>118,812</b>         | <b>41,750</b>          |
| <b>Previous year</b>  | <b>156,738</b>         | <b>855</b>   | <b>-</b>      | <b>157,593</b>         | <b>106,113</b>         | <b>-</b>   | <b>9,730</b> | <b>115,843</b>         | <b>50,625</b>          |
|                       |                        |              |               |                        |                        |            |              |                        | <b>41,750</b>          |

**LCC INFOTECH LIMITED & ITS SUBSIDIARY**

**SCHEDULE annexed to and forming part of Balance Sheet as at 31st March 2010**

| <b>4 Investments</b>                                     | No. of equity<br>shares of Rs. 10/-<br>each fully paid-up<br>unless otherwise<br>specified | <b>2010</b><br>Rs. '000 | <b>2009</b><br>Rs. '000 |
|--|--|-------------------------|-------------------------|
| <b>A. Quoted</b>   |  |                         |                         |
| Long Term Investments-at cost                            |  |                         |                         |
| NIIT Limited   | 100  | 215                     | 215                     |
| Universal Media Limited                                  | 782425   | 2504                    | 2504                    |
| Shares of Re.2/- each fully paid                         |  |                         |                         |
| ATN International Limited                                | 334980   | 3182                    | 3182                    |
| R.S.Software Limited                                     | 1500   | 823                     | 823                     |
| Tata Iron & Steel Company Limited                        | 7500   | 684                     | 684                     |
| Ranbaxy Laboratories Limited                             | 3000   | 1350                    | 1350                    |
| Videocon Industries Limited                              | 100  | 23                      | -                       |
|  |  | <b>8781</b>             | <b>8758</b>             |
| <b>B. Unquoted</b>                                       |  |                         |                         |
|  | No. of Share   | 2010<br>Rs. '000        | 2009<br>Rs. '000        |
| Abex Infocom Pvt. Ltd.                                   | 50000  | 2500                    | 2500                    |
| Apex Infocom Services Pvt. Ltd.                          | 40000  | 2000                    | 2000                    |
| Aradhana Vyapar Pvt. Ltd.                                | 36000  | 1800                    | 1800                    |
| Champak Niketan Pvt. Ltd.                                | 30000  | 1500                    | 1500                    |
| Destiny International Ltd.                               | 100000   | 5000                    | 5000                    |
| Galvenotek Industries Pvt. Ltd.                          | 130000   | 6500                    | 6500                    |
| Goldwine Merchandise Pvt. Ltd.                           | 20000  | 1000                    | 1000                    |
| Heritage Promoters & Estates Pvt. Ltd.                   | 18000  | 900                     | 900                     |
| Indivar Kutir Pvt. Ltd.                                  | 30000  | 1500                    | 1500                    |
| Jhalar Vincom Pvt. Ltd.                                  | 36000  | 1800                    | 1800                    |
| Lokpriya Trade & Agency Pvt. Ltd.                        | 30000  | 1500                    | 1500                    |
| Nathoo Commodities Pvt. Ltd.                             | 40000  | 2000                    | 2000                    |
| Nutshell Vyapar Pvt. Ltd.                                | 80000  | 4000                    | 4000                    |
| Omega Ventures Pvt. Ltd.                                 | 60000  | 3000                    | 3000                    |
| Pentacon Plastic Co. Pvt. Ltd.                           | 36000  | 1800                    | 1800                    |
| PKV Spun Pipe Impex Pvt. Ltd.                            | 36000  | 1800                    | 1800                    |
| Pushpak Trading & Consultancy Pvt. Ltd.                  | 82000  | 4100                    | 4100                    |
| Sadhana Towers Pvt. Ltd.                                 | 18000  | 900                     | 900                     |
| Shalu Properties Pvt. Ltd.                               | 18000  | 900                     | 900                     |
| Shivganga Distributors Pvt. Ltd.                         | 30000  | 1500                    | 1500                    |
| Skylark Commerce Pvt. Ltd.                               | 50000  | 2500                    | 2500                    |
| Shree Agro Industries Ltd.                               | 711600   | 17790                   | 17790                   |
| Swarnima Properties Pvt. Ltd.                            | 50000  | 2500                    | 2500                    |
| Tayal Trading Pvt. Ltd.                                  | 40000  | 2000                    | 2000                    |
| Top Light Tradelink Pvt. Ltd.                            | 100000   | 5000                    | 5000                    |
| Triplerank Marketing Pvt. Ltd.                           | 30000  | 1500                    | 1500                    |
| Twinkle Traders Pvt. Ltd.                                | 40000  | 2000                    | 2000                    |
| Vijay Path Distributors Ltd.                             | 52000  | 2600                    | 2600                    |
| Lakhotia Computer Centre Ltd. (Shares of Rs. 100/- each) | 2400   | 240                     | 240                     |
| Vijay Investment & Trading Pvt. Ltd.                     | 55500  | 2775                    | 2775                    |
| The Thermic Steel Co. Pvt. Ltd.                          | 53000  | 2650                    | 2650                    |
| Pleasure Investment Pvt. Ltd.                            | 102300   | 5115                    | 5115                    |
| Carried forward  |  | <b>92670</b>            | <b>92670</b>            |

|                                   | No. of equity<br>shares of Rs. 10/-<br>each fully paid-up<br>unless otherwise<br>specified | 2010<br>Rs. '000 | 2009<br>Rs. '000 |
|-----------------------------------|--|------------------|------------------|
| <b>B Unquoted</b>                 |  |                  |                  |
| <b>Brought over</b>               |  | <b>92670</b>     | <b>92670</b>     |
| Escorts Trade Link Pvt. Ltd       | 74000  | 3700             | 3700             |
| Platinum BioTech Pvt. Ltd.        | 7500   | 600              | 600              |
| Mansingh Oils & Grains Pvt. Ltd . | 391967   | 29398            | 29398            |
| Ashoke Paper Mills Ltd.           | 150000   | 1500             | 1500             |
| Rolex Merchant Pvt. Ltd.          | 2800   | 2800             | 2800             |
| Shyam Sree Steels Ltd.            | 1790   | 90               | 90               |
| Dhansafal Vyapaar Pvt. Ltd.       | 49000  | 1490             | 1490             |
| Ojas Suppliers Ltd.               | 26000  | 637              | 637              |
| Hanurag Projects Pvt. Ltd.        | 87850  | 3777             | 3777             |
| Turnkey Commodities Ltd.          | 104500   | 3657             | 3657             |
| Rubion Marketing Ltd.             | 30000  | 1170             | 1170             |
| Sudhanil Vanijya Ltd.             | 29050  | 551              | 551              |
| Weldorf Tradelink Ltd.            | 15000  | 465              | 465              |
| Whiteline Barter Ltd.             | 15000  | 480              | 480              |
| Sapience Commodities Pvt. Ltd.    | 25500  | 842              | 842              |
| Raunak Tracon Pvt. Ltd.           | 42550  | 1957             | 1957             |
| Rangbarshi Projects Ltd.          | 60000  | 4820             | 4820             |
| Alkon Trading Pvt. Ltd.           | 26000  | 884              | 884              |
| Gurupath Merchandise Pvt. Ltd.    | 25000  | 675              | 675              |
| StarPointManagement Pvt. Ltd.     | 29000  | 2160             | 2160             |
| Bhairav Trade Link Ltd.           | 4000   | 132              | 132              |
| Aristro Projects Ltd.             | 45650  | 2054             | 2054             |
| Cascade Dealcom Pvt. Ltd.         | 93450  | 3087             | 3087             |
| Jeet Vaniya Ltd.                  | 36000  | 1278             | 1278             |
| Mangalmayee Garment Pvt. Ltd .    | 16000  | 1376             | 1376             |
| Celeste Merchandise Pvt. Ltd.     | 13000  | 380              | 403              |
| Ricon Tieup Ltd.                  | 50000  | 5000             | 5000             |
| Sheetal Farms Ltd.                | 50000  | 5000             | 5000             |
| Savera Traders Ltd.               | 29750  | 2975             | 2975             |
| Jmd Sounds Ltd.                   | 57750  | 577              | 577              |
|                                   |  | <b>176182</b>    | <b>176205</b>    |
| <b>C. Mutual Fund</b>             |  | <b>2010</b>      | <b>2009</b>      |
|                                   |  | Rs. '000         | Rs. '000         |
| Birla Dividend Yeild              |  | 100              | -                |
| Birla Savings Fund                |  | 200              | -                |
| Birla Sunlife MIP II              |  | 200              | -                |
| ICICI Pru Discovery Fund          |  | 200              | -                |
| Principal Emerging Blue Chip Fund |  | 200              | -                |
| HDFC Top 200 Fund                 |  | 200              | -                |
| templeton Short Term Fund         |  | 100              | -                |
| HDFC MIP Long Term Fund           |  | 200              | -                |
|                                   |  | <b>1400</b>      | <b>-</b>         |
| Grand Total (A+B+C)               |  | 186,363          | 184,963          |

Market Value of Quoted Investment as of 31st March 2010 :

|                         | Book Value | Market Value | Surplus /(Deficit ) |
|-------------------------|------------|--------------|---------------------|
| Equity Shares (Quoted ) | 8781       | 6962         | (1819)              |
| Mutual Fund             | 1400       | 1388         | (12)                |

According to Board of Directors, diminution in the Market value of Investments in Equity Shares is not of a permanent nature and no provision is made into Accounts.

## LCC INFOTECH LIMITED & ITS SUBSIDIARY

SCHEDULE annexed to and forming part of the Balance Sheet as at 31st March, 2010

|  | <b>2010</b>    | <b>2009</b>    |
|--|----------------|----------------|
|  | Rs. '000       | Rs. '000       |
| <b>5. Inventories</b>  |                |                |
| Software   | 7,609          | 7,609          |
| Education and Training Materials   | 3,069          | 2,607          |
| Computers  | 815            | 815            |
|  | <u>11,493</u>  | <u>11,031</u>  |
| <b>6. Sundry Debtors</b>   |                |                |
| Unsecured, considered good   |                |                |
| Outstanding for a period exceeding six months  | 149,197        | 145,710        |
| Other Debts  | 25,674         | 13,884         |
|  | <u>174,871</u> | <u>159,594</u> |
| <b>7. Cash and Bank Balances</b>   |                |                |
| Cash in hand (as certified by the management)  | 53             | 88             |
| Cash at Bank with Scheduled Banks :  |                |                |
| In Current Accounts  | 410            | 273            |
|  | <u>463</u>     | <u>361</u>     |
| <b>8. Other Current Assets</b>   |                |                |
| Unsecured-Considered good  |                |                |
| TDS on Rent - Receivable   | 519            | 322            |
| Interest Accrued on Loans and Deposits   | 290            | 290            |
|  | <u>809</u>     | <u>612</u>     |
| <b>9. Loans and Advances</b>   |                |                |
| Unsecured-Considered good  |                |                |
| Loans to Bodies Corporate  | 23,126         | 24,833         |
| Loans to Others  | 2,142          | 2,094          |
| Security Deposits  | 946            | 866            |
| Application money towards subscription of shares                                     |                |                |
| Advances Recoverable in cash or in kind or value to received (Note 7 on Schedule 19) | 179,426        | 185,284        |
|  | <u>205,640</u> | <u>213,077</u> |
| <b>10. Current Liabilities &amp; Provisions</b>                                      |                |                |
| <b>A. Current Liabilities</b>  |                |                |
| Sundry Creditors and Accrued Expenses  | 5,095          | 4,065          |
| Other Liabilities  | 3,013          | 5,439          |
|  | <u>8,108</u>   | <u>9,504</u>   |
| <b>B. Provisions</b>   |                |                |
| Provision for Bad Debt   | 1,762          | 3,643          |
| Frindge Benefit Tax  | -              | 35             |
| Provision for Inventory - Software   | 380            | 380            |
| Provident Fund   | -              | 28             |
| For deferred Tax -   | 2,142          | 4,086          |
|  | <u>10,250</u>  | <u>13,590</u>  |
| <b>(A + B)</b>   |                |                |
|  | <u>10,250</u>  | <u>13,590</u>  |
| <b>11. Miscellaneous Expenditures</b>  |                |                |
| (To the extent not written off or adjusted)  |                |                |
| Preliminary Expenses   | 18             | 35             |
|  | <u>18</u>      | <u>35</u>      |

## LCC INFOTECH LIMITED & ITS SUBSIDIARY

Schedules annexed to and forming part of the Profit & Loss Account for the year ended 31st March, 2010

|  | <b>2010</b>    | <b>2009</b>    |
|--|----------------|----------------|
|  | Rs.' 000       | Rs. '000       |
| <b>12. Revenue From Operations</b>                     |                |                |
| Income from Franchisee<br>(Notes 1.5.4 of Schedule 19) | 197,928        | 200,076        |
| Franchisee Registration/Renewal                        | 874            | 267            |
| Sale of Course Materials and other materials           | 532            | 499            |
| Income from Projects                                   | 2,166          | 1,396          |
| Claim from Directorate of Employment                   | 335            | -              |
| Annual Maintenance Contract                            | 80             | -              |
| Sale of Computer                                       | -              | 2,496          |
|  | <u>201,915</u> | <u>204,734</u> |
| <b>13. Other Income</b>                                |                |                |
| Rent   | 1,189          | 1,667          |
| Dividend   | 28             | -              |
| Miscellaneous Income                                   | 102            | 19             |
|  | <u>1,319</u>   | <u>1,686</u>   |
| <b>14. Interest</b>                                    |                |                |
| Interest Income :                                      | 153            | 199            |
|  | <u>153</u>     | <u>199</u>     |
| <b>15. Development, Production and Execution</b>       |                |                |
| Study and Training Materials                           | 183,389        | 182,635        |
| Other Charges  | -              | 47             |
|  | <u>183,389</u> | <u>182,682</u> |
| <b>16. Personnel</b>                                   |                |                |
| Salary   | 3,806          | 5,030          |
| Contribution to Provident Fund                         | 10             | 20             |
| Gratuity   | -              | 8              |
| Staff Welfare Expenses                                 | 120            | 106            |
|  | <u>3,936</u>   | <u>5,164</u>   |
| <b>17. Administration and Others</b>                   |                |                |
| Travelling and Conveyance                              | 661            | 455            |
| Audit Fees   | 32             | 22             |
| Electricity  | 330            | 316            |
| Legal and Professional Expenses                        | 358            | 319            |
| Miscellaneous Expenses                                 | 216            | 139            |
| Rates and Taxes  | 19             | 69             |
| Rent   | 109            | 32             |
| Repairs & Maintenance                                  | 632            | 340            |
| Communication  | 438            | 318            |
| Preliminary and Deferred Revenue Expenditure W/off     | 17             | 17             |
| Interest (Bank Overdraft & Others)                     | 140            | 80             |
| Registration Fees                                      | 589            | -              |
| Books & Periodical                                     | 35             | 3              |
| Postage & Telegram                                     | 84             | 71             |
| Printing & Stationery                                  | 327            | 294            |

|                           |       |       |
|---------------------------|-------|-------|
| Carriage Outward          | 25    | 33    |
| Professional Fees         | 140   | 140   |
| Listing & Coustidial Fees | 259   | 210   |
| Commission and Incentives | 20    | -     |
| Bank Charges              | 21    | 22    |
| General Expenses          | 194   | 74    |
|                           | 4,646 | 2,953 |
| <b>18. Marketing</b>      |       |       |
| Advertisement             | 378   | 165   |
| Business Promotion        | 106   | 183   |
|                           | 484   | 348   |
| <b>19. Provision</b>      |       |       |
| Provision Created         |       |       |
| - Inventory Software      | -     | 380   |
| - Provident Fund Payable  | -     | 28    |
| - Bad Debt                | 8,119 | 3,643 |
|                           | 8,119 | 4,051 |

## LCC INFOTECH LIMITED & ITS SUBSIDIARY

SCHEDULE ANNEXED TO AND FORMING PART OF THE PROFIT & LOSS AS AT 31<sup>ST</sup> MARCH, 2010.

### 20. Notes on Accounts

#### 1. Significant Accounting Policies

##### 1.1. Basis of Consolidation

The Company has prepared the consolidated financial statement in accordance with Accounting Standard – 21 on consolidated Financial Statement issued by the Institute of Chartered Accountants of India.

The consolidated financial statements comprise financial statement of LCC Infotech Limited (the Parent Company) and its subsidiary. Uniform accounting policies have been adopted for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Parent Company's separate financial statement. All inter company balances and transactions have been eliminated.

##### 1.2. Companies included in consolidation

| Name of the Company | Extent of Shareholding |
|---------------------|------------------------|
| eLCC Info.com Ltd   | 99.98%                 |

##### 1.3. These are set out in the Notes on Accounts under Significant Accounting Policies of the financial statement of LCC Infotech Ltd and its Subsidiary

- The Company was registered as a Non Banking Financial Company with the Reserve Bank of India. Consequent to the alteration of the object clause of the Memorandum of Association B45 of Association of the Company and the acquisition of the business of the Lakhotia Computer Centre, the Company is no Necessary approval of the Reserve Bank of India is awaited.
- Additional information pursuant to the provision of Part-II of Schedule-VI of the Companies Act, 1956.



Value in Rs.'000

|              | Opening Balance |       | Production/Purchase |       | Turnover |       | Closing Stock |       |
|--------------|-----------------|-------|---------------------|-------|----------|-------|---------------|-------|
|              | Nos             | Value | Nos                 | Value | Nos      | Value | Nos           | Value |
| 1. Software  | 952             | 7609  | -                   | -     | -        | -     | 952           | 7609  |
| 2. Books     | 11585           | 2607  | 104                 | 462   | -        | -     | 11689         | 3069  |
| 3. Computers | -               | 815   | -                   | -     | -        | -     | -             | 815   |

4. In the absence of latest audited accounts, it has not been possible to ascertain the break up value of certain long term unquoted Investments (Book Value – Rs. 194,623 thousands, 2009 – 194,600 thousands) and its consequential effect on carrying value. In respect of quoted Investment i.e. Equity Shares and Mutual Funds no provision has been made in the accounts for diminution in value to the tune of Rs. 1,819 thousands and Rs. 12 thousand respectively.
5. Consequent to the issuance of mandatory Accounting Standard (AS 22) – “Accounting for taxes on Income” by the Institute of Chartered Accountants of India which states that deferred tax should be recognized based on timing difference between the accounting income and the taxable income for the year and quantify the same using the tax rates and laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized and carried forward only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. However there is no such virtual certainty for future taxable income, so no provision has been made in the books
6. Estimated amount of contracts remaining to be Capital account (Net of Advance) Rs. Nil (2009 – Rs. Nil)
7. Liability of Contingent in Nature was not readily available (2009 – Rs. Nil)
8. FOB value of exports Rs. Nil (2009 – Rs. Nil)
9. Expenditure in foreign Currency Rs. Nil (2009 – Rs. Nil)
10. The total amount of Directors remuneration charged in these accounts is Rs. 1,560 thousands (2009 – Rs. 480 thousands) under salary head in Personnel
11. There is no small scale industrial undertaking on the basis of information available with the company to whom the company owes a sum, which is outstanding for more than 30 days as at the balance sheet date.
12. Related Party Disclosures, as required by AS-18 ‘Related Party Disclosures’ are given below:
  - I. Relationships:
    - a) Where control exists  
eLCC Info.com Limited  
Advertiser’s Advertising Agency Limited
    - b) Mrs Kirti Lakhotia                      Advertiser’s Advertising Agency Ltd  
Mr Sidharth Lakhotia                      Advertiser’s Advertising Agency Ltd  
Mrs Pratik Lakhotia                      Advertiser’s Advertising Agency Ltd
  - II. Related Party balance as at the year end  
Advertiser’s Advertising Agency Ltd – Advance  
Rs. 31,41,652.75 (Dr)
  - III. Transactions with Key Management Personnel –  
Remuneration (in Rs.) 1,560 thousands
13. In terms of the existing agreements with the various franchisees, the company is entitled to the royalty income based on a percentage of gross collection of these franchisees. The

Company has however accounted for its income as "Collection from Franchisee Centre" based on statements received from franchisees.

14. Figures in bracket represents previous year's figure
15. Previous year's figures have been rearranged/ regrouped wherever considered necessary.

**M. K. Budhia**  
Proprietor  
Chartered Accountant  
**BUDHIA & COMPANY**  
Membership No – 55197  
Kolkata  
Date: 23.08.2010

For and on behalf of Board of Directors

**KIrti Lakhotia** – Managing Director

**Sidharth Lakhotia** – Director & C.E.O.

**P. N. Roy Chowdhury** – Company Secretary

## LCC INFOTECH LIMITED & ITS SUBSIDIARY

### Cash Flow Statement for the year ended 31st March, 2010

#### Pursuant to clause 32 of the Listing-Agreement

|   | <b>2010</b>        | <b>2009</b>  |
|---|--------------------|--------------|
|   | Rs. '000           | Rs. '000     |
| A : Cash From Operating Activities                    |                    |              |
| Net Profit before Tax                                 | 278                | 195          |
| Adjustment for :                                      | -                  | -            |
| Preliminary Expenses and Deferred Revenue             | 17                 | 17           |
| Loss on Sale of Shares                                | -                  | -            |
| Depreciation  | 2,969              | 9,730        |
| Dividend Received                                     | 28                 | -            |
| Interest (Net)  | -                  | -            |
| <b>Operating Profit before Working Capital Change</b> | <b>3,292</b>       | <b>9,942</b> |
| Adjustment for :                                      |                    |              |
| Trade and other Receivables                           | (8,037)            | (11,154)     |
| Inventories   | (462)              | 1,496        |
| Trade Payables  | (3,340)            | 285          |
| Cash Generated From Operations                        | <b>(8,547)</b>     | <b>569</b>   |
| Interest Paid   | -                  | -            |
| Direct Tax/ FBT                                       | -                  | (35)         |
| Prior Period Adjustment                               | -                  | -            |
| <b>Net Cash From Operating activities</b>             | <b>(A) (8,547)</b> | <b>534</b>   |
| B : Cash Flow from Investing Activities :             |                    |              |
| Purchase of Fixed Asset                               | 10,049             | (855)        |
| Purchase/ Sale of Investments                         | (1,400)            | -            |
| Advance for subscription of Shares                    | -                  | -            |
| Income from Investments                               | -                  | -            |
| Interest Received                                     | -                  | -            |
| Dividend Received                                     | -                  | -            |
| <b>Net Cash Flow from Investing Activities</b>        | <b>(B) 8,649</b>   | <b>(855)</b> |
| C : Cash flow from Financing Activities               | -                  | -            |
| Net increase in Borrowings                            | -                  | -            |

|   |     |             |              |
|---|-----|-------------|--------------|
| Net cash from Financing Activities                                | (C) | -           | -            |
| <b>Net Decrease/Increase in Cash and Cash-Equivalents (A+B+C)</b> |     | <b>102</b>  | <b>(321)</b> |
| Cash and cash equivalent on Opening date ( Note-1 )               |     | 361         | 682          |
| Cash and cash equivalent on Closing date ( Note-1 )               |     | 463         | 361          |
|   |     | <u>102</u>  | <u>(321)</u> |
| <br>  |     |             |              |
| 1. Cash and cash Equivalents include : -                          |     | <b>2010</b> | <b>2009</b>  |
| Cash in Hand  |     | 53          | 88           |
| With Scheduled banks :  |     |             |              |
| On Current Accounts   |     | 410         | 273          |
|   |     | <u>463</u>  | <u>361</u>   |

2 . The above Cash Flow statement has been prepared under the indirect method as set out in the Accounting Standard 3 on Cash Flow Statements issued by the institute of Chartered Accountants of India .

For and on behalf of the Board of Directors

**Kirti Lakhotia** - Managing Director

Kolkata

**Siddharth Lakhotia** - Director & CEO

Date: 23.08.2010

**P. N. Roy Choudhury** - Company Secretary

### AUDITORS' CERTIFICATE

The above Cash Flow Statement has been Complied from and is based on the Audited Accounts of LCC Infotech Limited for the Year ended 31st March, 2010 reported by us on even date . According to the information and explanations given, the aforesaid Cash Flow statement, read with notes thereon has been prepared pursuant to clause 32 of Listing Agreement with stock Exchanges and the reallocations required for the purpose are as made by the Company .

**M.K.BUDHIA**

Proprietor  
Chartered Accountants

**BUDHIA & CO.**

Chartered Accountants  
Membership No:55197

Kolkata

Date: 23.08.2010

## Schedule to Accounts

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

RELATING TO SUBSIDIARY COMPANIES

- |    |  |                               |
|----|--|-------------------------------|
| 1. | Name of the Subsidiary   | : eLCC Info.com Limited       |
| 2. | Financial Year of the Subsidiary Company ends on   | : 31 <sup>st</sup> March 2010 |
| 3. | Holding Company's Interest   |                               |
|    | (i) Number of Shares held  | : 18,41,750                   |
|    | (ii) Percentage of Shareholding  | : 99.98 %                     |
| 4. | The net aggregate amount of the Subsidiary's Profit/ (Loss) so far as the concerns members of the Holding Company and is not dealt within the holding company's accounts |                               |
|    | (i) for the financial year of the Subsidiary(Rs)   | : (20,444)                    |
|    | (ii) for the previous financial years of the Subsidiary since it becomes the Holding Company's Subsidiary(Rs.)   | : (20,144)                    |
| 5. | The Net aggregate amount of the Subsidiary's Profit/(Loss) dealt within the Holding Company's Account  |                               |
|    | (i) for the financial year of the Subsidiary(Rs)   | : Nil                         |
|    | (ii) for the previous financial years of the Subsidiary since it became the Holding Company's Subsidiary(Rs)   | : Nil                         |

For and on behalf of Board of Directors

**Kirti Lakhotia** – Managing Director

**Sidharth Lakhotia** – Director & CEO

Kolkata  
Date: 26.07.2010

**P. N. Roy Chowdhury** – Company Secretary

## ELCC INFO.COM LIMITED

### DIRECTORS' REPORT

Your Director's hereby present the 10th Annual Report of the Company together with the Audited Annual Accounts for the year ended 31st March 2010.

#### **Financial Highlights:**

The working results of the Company stand as under:

|                                    | For the Period ended<br>31. 03. 2010<br>Rs. |
|------------------------------------|---|
| Profit/(Loss) for the year         | (20,444.00)                                 |
| Less: Tax Provision for the year   | NIL   |
| Profit/(Loss) after Taxation       | (20,444.00)                                 |
| Less: Transfer to Reserve          | NIL   |
| Add: Balance (dr.) brought forward | (34,02,742)                                 |
| Add: Excess Provision written back | NIL   |
| Balance Carried to Balance Sheet   | (34,02,742)                                 |

#### **Dividend:**

In view of the loss incurred by the Company during the year under review, your directors express their inability to recommend any dividend.

#### **Directors:**

Mr. Sidharth Lakhotia will retire from office by rotation at the ensuing Annual General Meeting of the company and being eligible to offer himself for reappointment.

#### **Auditors:**

The auditors M/s. Budhia & Co., Chartered Accountant will retire and ensuing meeting and being eligible offer themselves for reappointment.

#### **Personnel:**

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.

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

The requirement regarding disclosure of particulars for conservation of energy, technology absorption and foreign exchange earnings and outgo as prescribed by the rules are not applicable to this company.

#### **Deposit:**

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 2009-2010.

**Compliance Certificate:**

Compliance Certificate pursuant to Section 383A of the Companies Act, 1956 is enclosed herewith and forms part of our report.

**Director's 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 2010 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.

**Acknowledgement:**

Your Directors acknowledge the support and owe a debt of gratitude to the Shareholders, Investors and Bankers. Your Directors extend thanks to its clients for their continued faith and support reposed in the Company.

For and on behalf of the Board

Place: Kolkata  
Date: 26. 07. 2010

**SIDHARTH LAKHOTIA**  
Director

**KIRTI LAKHOTIA**  
Director

**A. K. LABH**  
Practicing Company Secretary

**A. K. Labh & Co.**  
Company Secretaries  
40, Weston Street,  
3rd Floor, Kolkata – 70013 13  
Phone: (off) 033-2221-9381  
Mobile: 98300 55689

To,  
The Members,  
eLCC Info.Com Limited  
2/5A, Sarat Bose Road,  
Kolkata – 700 020

Registration No. : 21-91069  
Authorised Capital: Rs. 2,00,00,000/-  
Paid-up Capital : Rs. 1,84,20,000/-

We have examined the registers, records, books and papers of **M/s eLCC Info.Com Limited** (the company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2010. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions and rules made there under and all entries therein have been duly recorded.
2. The Company has filed the forms and returns as stated in **Annexure 'B'** to this certificate, with the Registrar of Companies (ROC) as prescribed under the Act and the rules made there under.
3. The Company is a public limited company and is subsidiary of M/s LCC Infotech Limited.
4. The Board of Directors duly met 4(Four) times on 30.06.2009, 27.07.2009, 31.12.2009, 31.03.2010 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Register of Members and share transfer books was not closed during the year.
6. The annual general meeting for the financial year ended on 31.03.2009 was held on 30.09.2009 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No extra-ordinary general meeting was held during the period under report.
8. The provisions of Section 295 of the Act are not attracted.
9. The provisions of Section 297 of the Act are not attracted.
10. The company has made necessary entries in the register maintained under Section 301 of the Act. for the disclosures made by the directors pursuant to the provisions of Section 299 of the Act.
11. The provisions of Section 314 of the Act are not attracted.
12. No duplicate share certificate was issued during the year under report.
13. The Company has:
  - (i) neither issued any shares nor has received any request for transfer / transmission of shares during the period under report;
  - (ii) not declared any dividend including interim dividend during the period under report;
  - (iii) no amount of unpaid/unclaimed dividend due for transfer to the Investor Education & Protection Fund during the period under report;
  - (iv) complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and there was no appointment of any additional, casual or alternate director during the period under report.
15. The provisions of Section 269 of the Act are not attracted.

16. No sole-selling agent was appointed during the year.
17. The Company was not required to obtain any approval of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and rules made there under.
19. The Company has not issued any new shares during the period under report.
20. The Company has not bought back any shares during the year.
21. The Company does not have any preference capital / debentures.
22. The Company has not issued any right / bonus shares etc. during the year.
23. The Company has not accepted/renewed any fresh deposit attracting provisions of Section 58A of the Act.
24. The Company does not have any borrowings as on 31.03.2010.
25. The investments, loans and advances made by the Company are in compliance with the provisions of the Act.
26. The Company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny.
28. The Company has not altered the provisions of the memorandum with respect to name of the company during the year under scrutiny.
29. The Company has not altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny.
30. The Company has not altered the provisions of the Articles of Association of the Company during the year under scrutiny.
31. We are informed that the Company has not received any show cause notice for any alleged offence during the period under report.
32. We are informed that the company has not received any security from its employees during the year under certification.
33. The provisions of Section 418 of the Act are not attracted.

For A. K. LABH & CO.  
Company Secretaries

**(A. K. LABH)**  
**Proprietor**  
**C. P. No. 3238**

Place: Kolkata  
Date: 26.07.2010

#### **ANNEXURE - A**

Registers as maintained by the Company

- |   |  |
|---|--|
| 1. Register of Members u/s 150                  | 2. Register of Index of Members u/s 151        |
| 3. Register of transfer of shares u/s 108       | 4. Register of charges u/s 143                 |
| 5. Register of Directors, Manager, etc. u/s 303 | 6. Register of Directors' shareholding u/s 307 |
| 7. Minutes of Board Meeting                     | 8. Minutes of General Meeting                  |
| 9. Books of Accounts u/s 209                    |  |

#### **ANNEXURE - B**

Forms and Returns as filed by the Company with the Registrar of Companies, during the financial year ending on 31st March, 2010

1. Form 20B u/s 159 (doct. dated 30.09.2009 filed on 19.01.2010)
2. Form 23AC & 23ACA u/s 220 (doct. dated 31.03.2009 filed on 19.01.2010)
3. Form 66 u/s 383A (doct. dated 27.07.2009 filed on 12.01.2010)



## AUDITORS' REPORT

### To the Shareholders of "M/S eLCC INFO.COM LIMITED"

We have audited the attached Balance Sheet of "M/S eLCC INFO.COM LIMITED." as at 31st March 2010 and Profit and Loss Account for the year ended on that date annexed thereto, and further report that:

1. These financial statements are responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure to above, we report that:
  - a. We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of accounts as required by law have been kept by the Company, so far as appears our examination of those book;
  - c. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
  - d. In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-sections (3C) of section 211 of the Companies Act, 1956;
  - e. On the basis of written representation received from the directors, as on 31st March, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup>, March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the companies Act, 1956;
  - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the companies Act,1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
    - (i) In the case of the Balance Sheet, of the state of affairs of the Companies as at 31<sup>st</sup> March, 2010; and
    - (ii) In the case of the Profit and Loss account, of the Loss for the year ended on that date.

**M. K. BUDHIA**  
(PROPRIETOR)  
**Budhia & Company**  
Chartered Accountants  
Membership No.55197  
DATE: 26.07.2010

## **ANNEXURE TO THE AUDITOR'S REPORT**

**RE:- "M/S. eLCC INFO.COM LIMITED"**

1. The Company has not taken any loans, secured or unsecured, from companies, Firm or other parties listed in the Register maintained Under Section 301 of the Companies Act, 1956.
2. The Company has not granted any loans to Companies, Firm or other parties Listed in the Register maintained Under Section 301 of the Companies Act, 1956.
3. In respect, of Loans & Advances in the nature of advance given by the company, parties have repaid the principal amounts as stipulated.
4. The Company has not accepted any Deposits from public under section 58A of the Companies Act, 1956.
5. The other provisions of the order are, in our opinion, not applicable to this company.

FOR BUDHIA & COMPANY

**M .K. BUDHIA**  
(PROPRIETOR)  
**Budhia & Company**  
Chartered Accountants  
Membership No.55197  
DATE: 26.07.2010

**M/S eLCC INFO.COM LIMITED**  
**2/5A SARAT BOSE ROAD**  
**KOLKATA- 700020**  
**BALANCE SHEET AS AT 31ST MARCH - 2010**

| Previous Year (Rs.) | Particulars  | Current Year(Rs.) | Previous Year(Rs.) | Particulars          | Current Year(Rs.) |
|---------------------|--|-------------------|--------------------|----------------------|-------------------|
| 20,000,000          | Authorized Capital<br>2000000 equity share<br>of Rs.10 each<br>Issued, Subscribed<br>and Paid up capital | 20,000,000        | 0                  | Fixed Asset          | 0                 |
|                     |  |                   | 0                  | Investments          | 0                 |
|                     |  |                   | 6,939              | Cash in Hand & Bank  | 3,789             |
|                     |  |                   | 15,005,975         | Loans & Advances     | 15,005,975        |
| 18,420,000          | 1842000 Equity share<br>of Rs. 10 each   | 18,420,000        |                    | Misc. Expenses       |                   |
|                     | Current Liabilities &<br>Provision   |                   | 6,288              | Preliminary Expense: | 6,288             |
|                     |  |                   |                    | Less:writen off      | 3,144             |
| 10,500              | Creditors  | 10,150            | 9,000              | Subscription STP     | 9,000             |
|                     |  |                   |                    | Less:writen off      | 4,500             |
|                     |  |                   | 20,000             | Capital Incorp. Fee. | 20,000            |
|                     |  |                   |                    | Less:writen off      | 10,000            |
|                     |  |                   | 3,382,298          | Profit & Loss A/C    | 3,402,742         |
| 18,430,500          |  | 18,430,150        | 18,430,500         |                      | 18,430,150        |

As Per our Report of even date

For and on behalf of the Board of Directors

**M.K.BUDHIA**  
Proprietor  
Chartered Accountants  
**BUDHIA & COMPANY**  
Chartered Accountants  
Membership No: 55197

**Kirti Lakhotia**  
Director

**Sidharth Lakhotia**  
Director

Kolkata  
Date: 26/07/2010

**For The Year Ended 31st March 2010**

| Previous Year(Rs.) | Particulars               | Current Year(Rs.) | Previous Year(Rs.) | Particulars     | Current Year(Rs.) |
|--------------------|---------------------------|-------------------|--------------------|-----------------|-------------------|
| 1,000              | To Audit Fees             | 1,000             | 0                  | By Misc. Income | 0                 |
| 1,500              | To Filling Fees           | 1,800             | 20,144             | By Net Loss     | 20,444            |
| 3,144              | To Preliminary Exp. W/Off | 3,144             |                    |                 |                   |
| 4,500              | To Subscription STP.W/Off | 4,500             |                    |                 |                   |
| 10,000             | To Capital Inc. Fee.W/Off | 10,000            |                    |                 |                   |
| <b>20,144</b>      |                           | <b>20,444</b>     | <b>20,144</b>      |                 | <b>20,444</b>     |

As Per our Report of even date

For and on behalf of the Board of Directors

**M.K.BUDHIA**  
Proprietor  
Chartered Accountants  
**BUDHIA & COMPANY**  
Chartered Accountants  
Membership No: 55197

**Kirti Lakhotia**  
Director

**Sidharth Lakhotia**  
Director

Kolkata  
Date: 26/07/2010

**SCHEDULES ANNEXED TO AND FORMING PART ACCOUNTS  
SIGNIFICANT ACCOUNTING POLICIES**

**1. Recognition of Income and Expenditure**

Terms of Income and Expenditure are recognized on accrual and prudent basis.

**2. Miscellaneous Expenditure**

Preliminary expenses and Capital Inc. Fee are written off over a period of ten years from the year of incurring such expenditure whereas the balance of subscription for STP units is to be written off in next year including the current year

**3. Current Asset**

As there is no stock, the basis of valuation not applicable

**4. Contingent Liability**

No contingent liabilities have been ascertained

Place : Kolkata  
Date : 26.07.2010

**M. K. Budhia**  
Proprietor  
Chartered Accountant  
**BUDHIA & COMPANY**  
Chartered Accountant  
Membership No - 55197

**eLCC INFO.COM LIMITED**

Information Pursuant to Part IV of Schedule VI to the Companies Act,1956

(a) Registration Details

|                    |             |                 |
|--------------------|-------------|-----------------|
| Registration No.   | 91069       | State Code : 21 |
| Balance Sheet Date | 31-Mar-2010 |                 |

(b) Capital Raised during the period

|              |   |                   |   |
|--------------|---|-------------------|---|
| Public Issue | - | Rights Issue      | - |
| Bonus Issue  | - | Private Placement | - |

(c) Position of Mobilisation And Deployment of Funds (Amounts in Rs thousands)

|                       |       |                           |       |
|-----------------------|-------|---------------------------|-------|
| Total Liabilities     |       | Total Assets              |       |
| Sources of Funds :    |       | Fixed Assets              | -     |
| Paid-up Capital       | 18420 | Loan & Advances           | 15006 |
| Reserve and Surplus   |       | Investment                | -     |
| Creditors             | 10    | Miscellaneous Expenditure | 18    |
| Secured Loans         | -     | Net Current Assets        | 4     |
| Application of funds: |       | Accumulated Loss          | 3403  |

(d) Performance of Company (Amount in Rs. thousands)

|                          |      |                         |      |
|--------------------------|------|-------------------------|------|
| Turnover(Net)            | NIL  | Total Expenditure       | 20   |
| Profit/(Loss) Before Tax | (20) | Profit/(loss) after Tax | (20) |
| Earning per share(Rs.)   | NIL  | Dividend rate(%)        | NIL  |

(e) Generic Names of three Principal Products/Services of the Company

|                       |    |
|-----------------------|----|
| Product Description : | NA |
| Product Description : | NA |

For and on behalf of Board of Directors

Kolkata  
Date: 26/07/2010

**Sidharth Lakhotia**  
Director

**Kirti Lakhotia**  
Director





(AN ISO 9001 : 2008 COMPANY)  
Registered Office : P - 16 C I T Road, Kolkata 700 014

**ATTENDANCE SLIP**

Please complete this attendance slip and hand it over at the entrance of the Hall.  
Full name of the Shareholder in Block Letters :

|                       |
|-----------------------|
| Folio No./Client ID : |
| No. of Shares held :  |

I hereby record my presence at the 24th Annual General Meeting of the Company, held at Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, Kolkata - 700017 on Tuesday, 28th September, 2010 at 1.00 p.m.

.....  
*Signature of the Shareholder*

- Notes : 1. Only Shareholder of the company or their Proxies will be allowed to attend the Meeting.  
2. Please complete this attendance slip and hand it over at the entrance of the Hall.



(AN ISO 9001 : 2008 COMPANY)  
Registered Office : P-16 C I T Road, Kolkata 700 014

**PROXY FORM**

Full name of the Shareholder in Block Letters :

|                       |
|-----------------------|
| Folio No./Client ID : |
| No. of Shares held :  |

I/We ..... of .....  
..... In the District of .....  
being a Member/Members of the above named Company, hereby appoint Mr./Mrs. ....  
..... of ..... in the District of .....  
..... or failing him Mr./Mrs. ....  
..... of ..... in the District of .....  
..... as my / our proxy to vote for me/us  
on my/our behalf at the Annual General Meeting of the Company to be held on Tuesday 28th  
September 2010, at 1.00 p.m.

As witness my/our hand(s) this ..... day of ..... 2010.

.....  
*Signature*



**Note :** The Proxy must be deposited at the Registered Office of the company not less than 48 hours before the time for holding the Meeting.



