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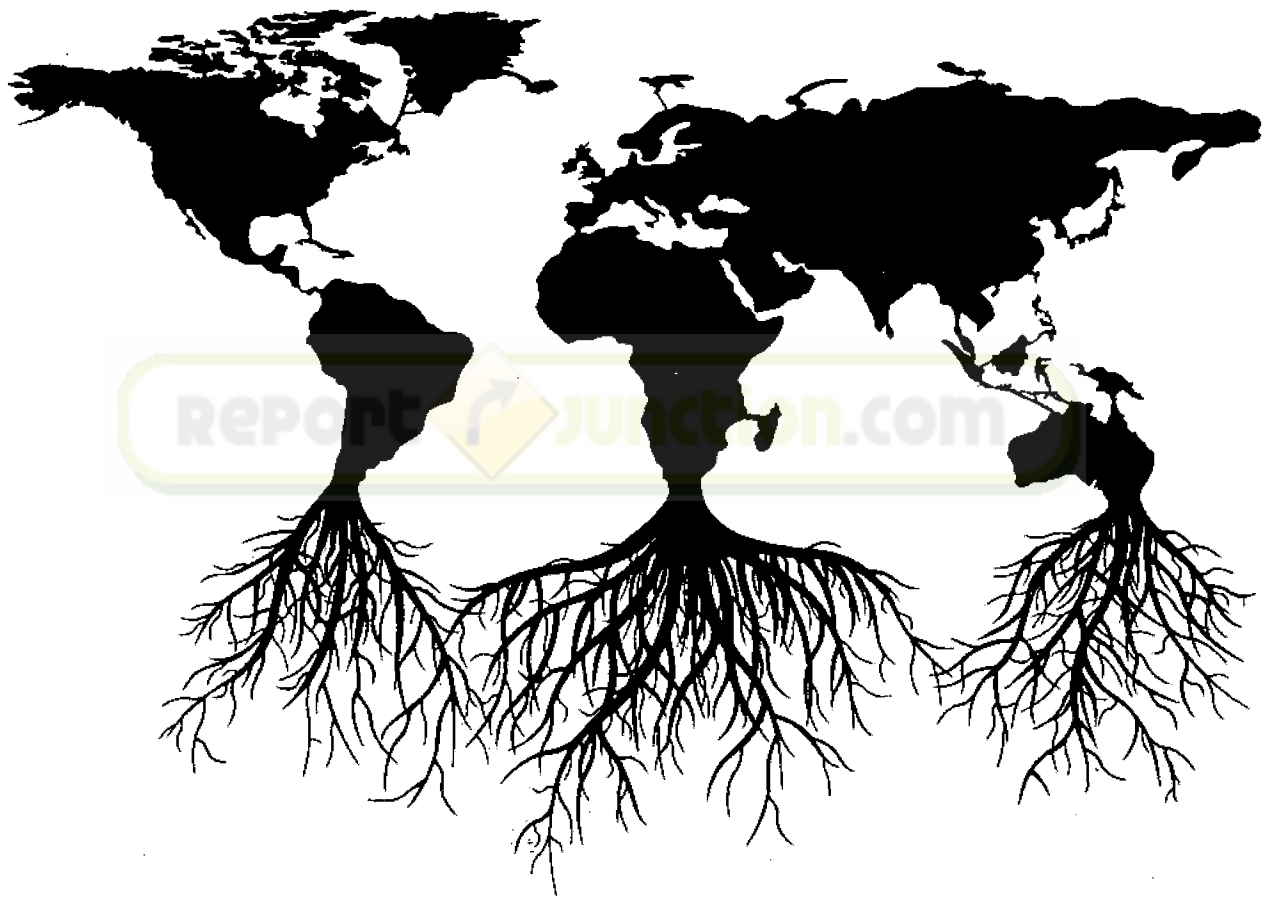
IECTM
SOFTWARES LTD.

Annual Report 2008

Committed to Growth

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COMMITTED TO GROWTH





SOFTWARES LTD.



From the Desk of CEO & MD

Dear All,

I am delighted to present before you, the progress, your Company has made in its 14th year of its existence inspite of the long period of murkiness. Beginning of the Year 2007 was with a dawn of new milestones to be achieved, new pathways to be followed, new benchmarks to be set, to outperform its own achievements so far.

The entire journey of IEC Softwares Limited has moved through various ups and downs. Starting from the date of incorporation, the Company has experienced every face of life viz. growth, recession, revival, restructuring and now the Company is all set with its bright expansion plan to venture into new array of activities.

The Company during the period 1995 to 2002 had shown a remarkable growth in terms of revenues and profitability. During this period, the Company had generated huge revenue from Turnkey IT Education Projects, Software Development Projects, Software Training, and Franchise Business.

However, by the beginning of the year 2002 many IT giants started facing the heat of global IT slowdown and our company was no exception. This global slowdown dented us as well with considerable losses on account of bad debts. But, inspite of all the problems and difficulties, IEC has continuously strived to raise its services to the highest level of excellence. It is only because of its constant fighting spirit, today it has positioned itself among the well known names of the Education Industry.

Notwithstanding the above grim past in the Year 2007-08 a restructuring exercise has been carried out in the company to make an entry in formal education sector.

The Company is all set to wipe off accumulated losses out of its reserves and it is expected that by the end of FY 2009 the Balance Sheet of your Company would get rid of accumulated losses.

As a part of the restructuring the Company is also exploring the organic as well as inorganic initiatives and thus IEC is willing to merge VEF Information Systems Pvt Ltd which is providing various educational and support services to certain private educational institutes in North India and conducting Educational and Consulting programmes in order to develop over all personality of the students. Since VEF already has a good client base and as both companies are under the same management, the managements of the both Companies feel desirable to amalgamate both the entities and consolidate the resources and businesses of the companies. The resultant amalgamation will help in synergizing the operational advantages and to achieve economies of scale of operations and elimination of overheads; Optimum and efficient utilization of capital, resources, assets and facilities; Enhancement of competitive strengths including financial resources; Consolidation of business and enhancement of economic value addition and shareholder value; and Better management and focus on growing the businesses.

Presently, the Company's current business is imparting computer education. However due to the upward swing in the Core Education sector, the Company has decided to nurture this sector. It would be advantageous to enter into this new but related sector. Today, Education in India is seen as one of the ways to upward social mobility. Good education is seen as a stepping stone to a high flying career. Education System in India currently represents a great paradox. On the one hand we have IIMs & IITs that rank among the best institutes in the world and on the other hand there are number of schools in the country that don't even have



the basic infrastructure. Even after more than 50 years after independence we are far away from the goal of universal literacy. But on a positive note, Indian professionals are considered among the best in the world are in great demand. This signifies the inherent strength of Indian education system.

India today is the second largest higher education network in the world. Universities in India are set up by the Central or State Governments by means of legislation, while colleges are established by either the State Governments or private bodies / trusts. All colleges are affiliated to some university.

India is fast emerging as a Knowledge Economy. Its spectacular performance in the IT sector has helped the country's offshoring sector emerge as the world's largest and fastest growing. Knowledge has replaced capital as the most important determinant of development.

This shift from material to knowledge-based resources opens up vast opportunities for the developing countries to accelerate the pace of development. India's rate of economic growth can be substantially increased if the country becomes a superpower in knowledge and if the potentials of information and information technology are fully understood and exploited.

Therefore, the Company has been making conscious efforts to broad base its Business activities.

For this purpose, the Company has altered its object clause by passing a resolution through postal ballot, so as to enable the Company to enter into the new business area of imparting Education, and diverting from its existing line of business.

Further, it is also proposed to change the name of the Company so that the proposed name more significantly reflects its business expansion programs and company's transition from an IT training, developer of Software projects and an exporter of Computer Software to a Quality Embedded Higher Education Institution catering to education and technology needs of the students, building systems and processes to ensure quality and delivery of education and to pursue global standards of excellence.

The new identity will enable IEC to better leverage its global reach, infrastructure and brand visibility of IEC to accelerate the growth.

The fast changing world has set new standards for success based on ever increasing quest for knowledge and excellence with pragmatic mindset. We at IEC endeavors to nurture quality, creative ability and innovation which provide the key to success in globalized environment.

Further, we have to benchmark ourselves on a global scale with the best education institutions, and become the institution-of-choice for the best students.

IEC has committed himself to the cause of evolving minds and sensitizing hearts to achieve the goal of Educating, Enlightening, Enriching, Empowering and Enabling.

Looking forward to your profound growth with IEC.

Sincerely,

Naveen Gupta
CEO & MD



SOFTWARES LTD.



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INFORMATION ABOUT SUBSIDIARY- IEC LEASING AND CAPITAL MANAGEMENT LTD.

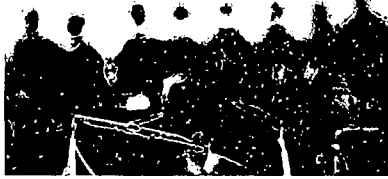
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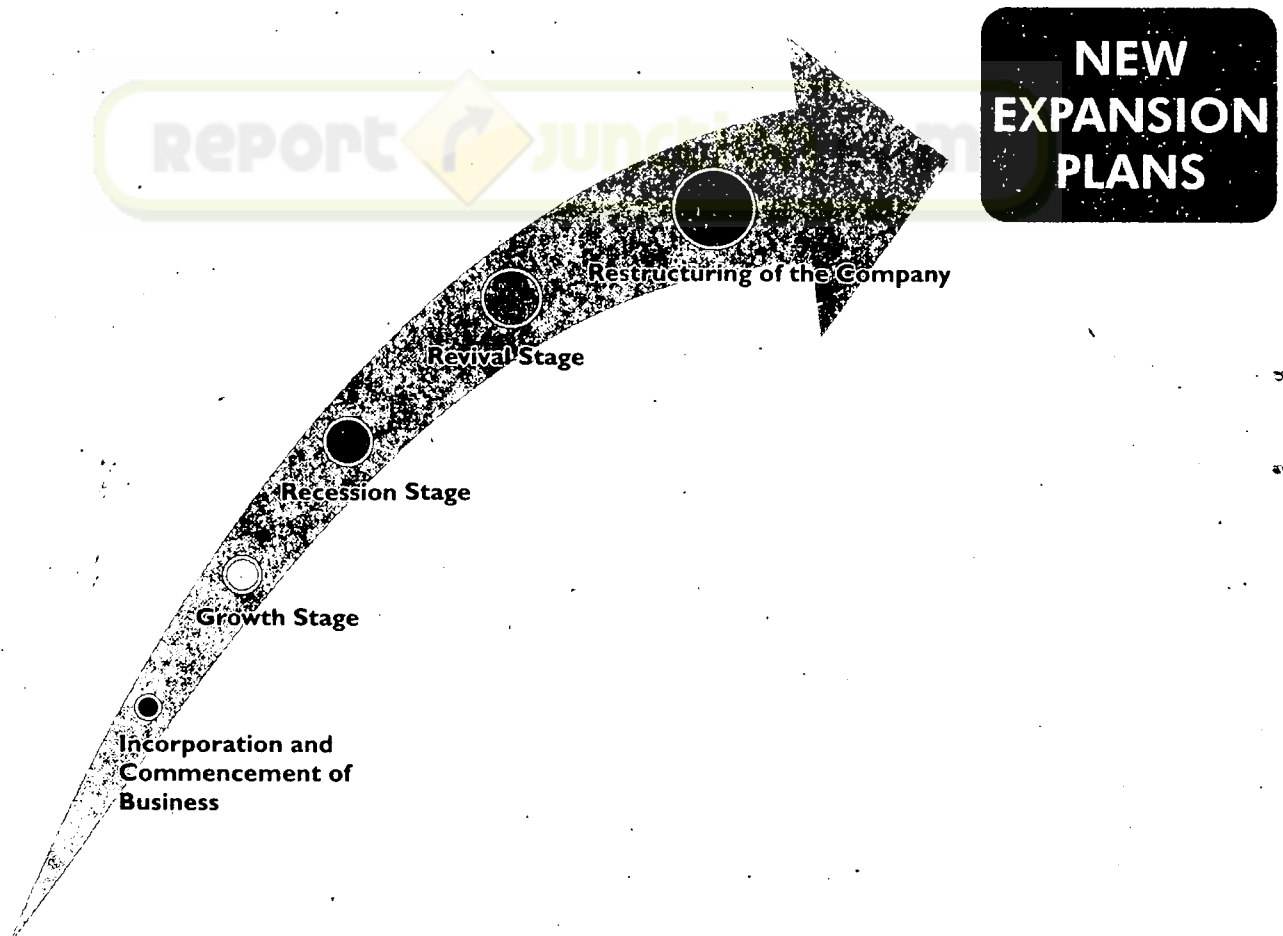
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A Walk Through Life





Company Information

Board of Directors

Chairman

Brig. S. V. S. Chowdhry (Retd.)

CEO & Managing Director

Mr. Navcen Gupta

Executive Director

Mr. L. C. Goel

Directors

Mr. R.L Gupta

Mr. Kailash Nath

Mr. Sarabjit Singh Saini

Mr. A.K Khare

Mr. Rasik Makkar

Mr. H.P Singh

Mr. J.K Bhola

Mr. H.R Issarani

Company Secretary

Ms. Shweta Dixit

Auditors

M/s Nath & Hari, Chartered Accountants

Registrar & Transfer Agents

Alankit Assignments Limited

2E/21, Jhandewalan Extn. New Delhi-55

Registered Office

5, Sant Nagar, East of Kailash, New Delhi-65

Committees of Board of Directors

Audit Committee

Brig. S.V.S. Chowdhry, Chairman

Mr. Kailash Nath, Member

Mr. Sarabjit Singh Saini, Member

Shareholder's Committee

Mr. Kailash Nath, Chairman

Brig. S. V. S. Chowdhry, Member

Mr. Sarabjit Singh Saini, Member

Remuneration Committee

Brig. S.V.S. Chowdhry, Chairman

Mr. Kailash Nath, Member

Mr. Sarabjit Singh Saini, Member

Mr. A.K Khare, Member

Subsidiary Companies

IEC Leasing and Capital Management Ltd.

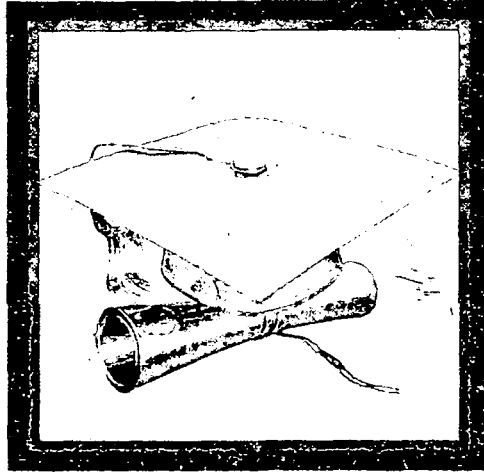
IEC Learning and Management Ltd.

IEC Education and Infrastructure Ltd.

IEC Dynamics PTE Ltd.-Singapore

E-mail: cs@iecgroupp.in / investor@iecgroupp.in / suggestions@iecgroupp.in / press@iecgroupp.in

Visit us on: www.iecgroupp.in



Mission

KG to PG - A Unique & highly effective business model/concept put in place by IEC where in it continually works with an individual for more than fifteen years on average. It begins with the informal childhood learning at our Kindergarten and culminates into a graduation/post graduation degree for the individual.

The captive fifteen plus years time span that an individual spends at IEC provides us with the opportunity to create mutual wealth both in quality and value terms.

Vision

IEC will constantly endeavour to delight its target group through excellence in service delivery, and achieve worldwide recognition. To be a center of excellence for quality education, where old ideas are challenged and new concepts nurtured, to be a seat of world class education from where Technocrats and Managers would emerge empowered to face the challenges of ever changing society with courage, convictions and compassion.



Notice

Notice is hereby given that the Fourteenth Annual General Meeting of the members of IEC Softwares Ltd. will be held on Wednesday, August 6th, 2008 at 10:00 at Sri Sathya Sai International Centre, Lodhi Road, Institutional Area, Pragati Vihar, and New Delhi-110003 to transact the following Business:

Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2008 and Profit and Loss account for the year ended on that date along with the Director's Report and Auditor's Report thereon.
2. To Consider and appoint a Director in place of Brig. S.V.S Chowdhry, who retires by rotation and being eligible offers himself for re-appointment.
3. To Consider and appoint a Director in place of Mr. Kailash Nath, who Retires by rotation and being eligible offers himself for re-appointment.
4. To Consider and appoint a Director in place of Mr. R.L. Gupta, who Retires by rotation and being eligible offers himself for re-appointment.
5. To appoint auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution :-
"RESOLVED THAT, M/s Nath & Hari, Chartered Accountants be and is hereby re-appointed as auditors of the company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the company on such remuneration as shall be fixed by the Board of Directors."

Special Business:

6. To consider and if thought fit, to Pass the following resolution with or without modification as an ordinary resolution.
"RESOLVED THAT, Mr. H.R Issarani who was appointed as an Additional Director at the meeting of the Board of Directors of the Company held on 4-01-2008, and whose term expires at Annual General Meeting of the Company scheduled to be held on August 6th, 2008 and for appointment of whom the Company has received a notice under section 257 of the Companies Act, 1956 with a deposit of Rs. 500/- which will be refunded if the appointment is confirmed, from a member for proposing his candidature for the office of the Director, be and is hereby appointment as Director of the Company whose period of office will be liable to determination by retirement by rotation."
7. To consider and if thought fit, to Pass the following resolution with or without modification as an ordinary resolution.
"RESOLVED THAT, Mr. J.K Bhola who was appointed as an Additional Director at the meeting of the Board of Directors of the Company held on 4-01-2008, and whose term expires at Annual General Meeting of the Company scheduled to be held on Wednesday, 6th August 2008 and for appointment of whom the Company has received a notice under section 257 of the Companies Act, 1956 with a deposit of Rs. 500/- which will be refunded if the appointment is confirmed, from a member for proposing his candidature for the office of the Director, be and is hereby appointment as Director of the Company whose period of office will be liable to determination by retirement by rotation".
8. To consider and if thought fit, to Pass the following resolution with or without modification as an ordinary resolution.
"RESOLVED THAT, Mr. Naveen Gupta, who was appointed as an additional Director by the Board of Directors in their meeting held on 27th June 2008 and who in terms of section 260 of the Companies Act, 1956, holds such office upto the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company, whose office shall not be liable to retire by rotation but will be reckoned for section 255 for fixing of 2/3rd of Total Directors liable to retire by rotation."



9. To consider and if thought fit, to Pass the following resolution with or without modification as an ordinary resolution.
 "RESOLVED THAT, pursuant to the provisions of section 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 ("Act") read with Schedule XIII of the Companies Act and any other applicable provisions of law prevailing from the time being in force, the Company hereby accords its approval for the appointment of Mr. Naveen Gupta as Managing Director for a period of 5 years w.e.f. 1st Oct 2008 at a remuneration of Rs. 2,00,000 as approved by the Remuneration Committee.

RESOLVED FURTHER THAT, pursuant to section 198 and all other applicable provisions of the Companies Act, 1956, the remuneration as mentioned above be paid as minimum remuneration to Mr. Naveen Gupta notwithstanding that in any financial year of the Company during his tenure as Managing Director, the company has made no profits or profits are inadequate.

RESOLVED FURTHER THAT, the Board / Remuneration Committee of the company be and is hereby authorized to alter or vary the terms and appointment as it may at its discretion deem fit from time to time so as not to exceed the limit specified in Schedule XIII to the Companies Act, 1956 including any statutory modification or reenactment thereof for the time being in force) or any amendment made thereto."

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Special Resolution**:

"RESOLVED THAT, pursuant to the provisions of article no. 3 & 38 of the Articles of Association of the Company, section 94 of the Companies Act, 1956, and other applicable provisions, if any, the Authorised Share Capital of the Company be and is hereby increased from Rs. 20,00,00,000 (Rupees Twenty Crores only) to Rs. 25,00,00,000 (Rupees Twenty Five Crores only) by way of creation of 50,00,000 (Fifty lac) new Equity shares of Rs 10 each aggregating Rs 5,00,00,000 (Rupees Five Crores only).

RESOLVED FURTHER THAT, the Clause V of the Memorandum of Association of the Company be and is hereby substituted with the following new Clause:

V. The Authorised Share Capital of the Company is Rs. 25, 00, 00,000 (Rupees Twenty Five Crores only) divided into 2,50,00,000 (Two Crore and Fifty lac) Equity Shares of Rs. 10 (Rupees Ten) each.

"RESOLVED FURTHER THAT, Board of Directors of the Company be and is hereby authorised to take all necessary steps that may be required to give effect to the aforesaid resolution."

Date : 27th June, 2008

By Order of Board of Directors

Place : Delhi

sd

Shweta Dixit
 (Company Secretary)

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LATER THAN FOURTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
3. Shareholders seeking any information with regard to the accounts are requested to write to the Company at an early date but not later than 48 hours before the scheduled time of holding the AGM so as to enable the Management to keep the information ready.
4. Shareholders are requested to kindly bring their copies of Annual Report to the meeting.
5. Members are requested to quote their registered folio number in all correspondence with Company and notify the Company immediately of change, if any, in their address.
6. The register of members and share transfer books of the Company will remain closed from 01-08-2008 to 06-08-2008 (both days inclusive)
7. Information required to be furnished under the Listing Agreement.