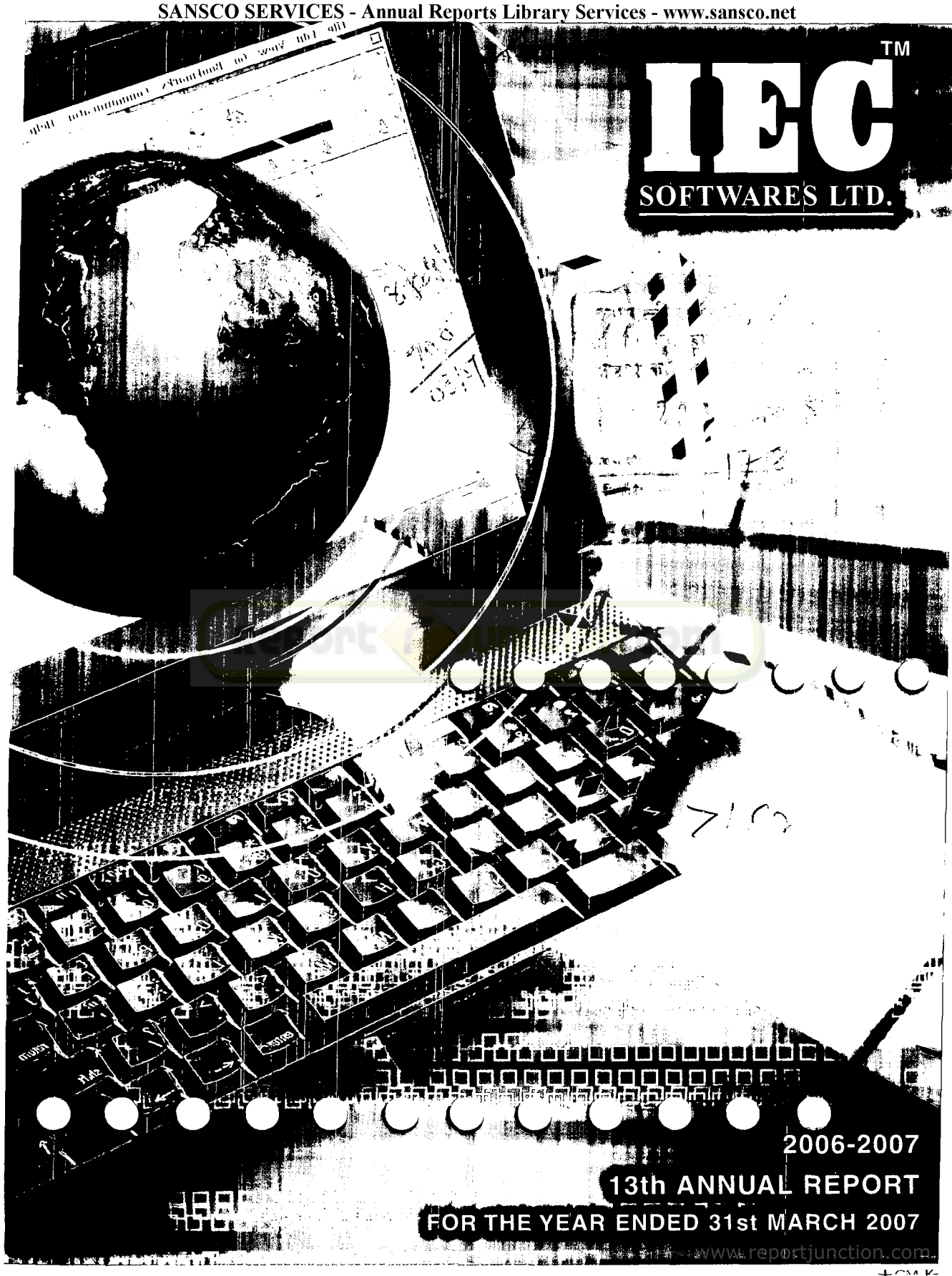


**IEC**<sup>TM</sup>  
**SOFTWARES LTD.**



2006-2007

**13th ANNUAL REPORT**

**FOR THE YEAR ENDED 31st MARCH 2007**

# 13th ANNUAL REPORT

2006-2007

*for the year ended 31<sup>st</sup> March 2007*

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## **IEC SOFTWARES LTD.**

Regd. Office:

IEC HOUSE, M-92, Connaught Place (opp. Super Bazar), New Delhi-110001

Tel:011-23415938, 23415667, Fax: 011-23415913

E-mail: [cs@iecsoftwaresltd.com](mailto:cs@iecsoftwaresltd.com) website: [www.iecsoftwaresltd.com](http://www.iecsoftwaresltd.com)

**Annual Report**  
2006-2007

**Chairman**  
Brig. S.V.S Chowdhry

**Whole Time Director**  
Mr. L.C.Goel

**Non-Executive Directors**  
Mr. R.L.Gupta  
Mr. Kailash Nath  
Mr. Sarabjit Singh Saini  
Mr. H.P Singh  
Mr. Rasik Makkar  
Prof. A.K Khare

**Company Secretary**  
Ms. Shweta Dixit

**Auditors**  
M/s Nath & Hari, Chartered Accountants

**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  
Prof. A.K Khare, Member

**Regd. & Head Office:**  
IEC HOUSE, M-92, Connaught Place, New Delhi - 110001  
visit us on: [www.iecsoftwaresltd.com](http://www.iecsoftwaresltd.com)

### NOTICE

Notice is hereby given that the Thirteenth Annual General Meeting of the members of IEC Softwares Ltd. will be held on Tuesday, September 18, 2007 at 10.00 a.m. at Shah Auditorium, 2, Raj Niwas Marg, Delhi - 110 054 to transact the following business;

#### Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March'2007 and Profit and Loss account for the year ended on that date alongwith the Directors' Report and Auditors' Report thereon.
2. To consider and appoint a Director in place of Mr. Sarabjit Singh Saini, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration. M/s Nath & Hari, Chartered Accountants, the retiring Auditors, being eligible offer themselves for re-appointment.

#### Special Business

5. **To consider and if thought fit pass with or without modification the following resolution as an Ordinary resolution.**

"Resolved that Mr. H.P Singh ,who was appointed as Additional director at the meeting of the Board of Directors of the Company held on 20.01.2007, and whose term expires at the Annual General Meeting of the Company scheduled to be held on 18<sup>th</sup> September 2007 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 a Director, be and is hereby appointed as Director of the Company whose period of office will be liable to determination by retirement by rotation."

6. **To consider and if thought fit pass with or without modification the following resolution as an Ordinary resolution.**

"Resolved that Mr. Rasik Makkar ,who was appointed as Additional director at the meeting of the Board of Directors of the Company held on 20.01.2007, and whose term expires at the Annual General Meeting of the Company scheduled to be held on 18<sup>th</sup> September 2007 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 a Director, be and is hereby appointed 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 pass with or without modification the following resolution as an Ordinary resolution.**

"Resolved that Mr. A.K Khare ,who was appointed as Additional director at the meeting of the Board of Directors of the Company held on 30.07.2007, and whose term expires at the Annual General Meeting of the Company scheduled to be held on 18<sup>th</sup> September 2007 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 a Director, be and is hereby appointed as Director of the Company whose period of office will be liable to determination by retirement by rotation."

**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. 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.
3. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
4. Shareholders are requested to kindly bring their copies of Annual Report to the meeting.
5. Information required to be furnished under the Listing Agreement.

Brief particulars of Directors who are proposed to be appointed/re-appointed are given below:

Name	Date of Birth	Date of Appointment	Educational Qualification	Brief Profile	Other Directorship	Shareholding in the Company
Mr. Sarabjit Singh Saini	12.10.1971	25.10.2005	Bachelor of Commerce	An industrialist. Having rich experience in administration, finance.	NIL	2800
Mr. H.P Singh	19.11.1947	20.01.2007	M.A in Military Studies	Possess rich experience in administrative matters.	Director in M/s Technix Electronics Pvt. Ltd.	NIL
Mr. Rasik Makkar	15.09.1963	20.01.2007	Chartered Accountant	Specialized in handling accounts , taxation, finance matters	NIL	NIL
Prof. A.K Khare	28.06.1946	30.07.2007	Ph.D (Mechanical Engeering)	Rich experience in imparting Technical education.	NIL	NIL



7. The register of members and share transfer books of the Company will remain closed from 11<sup>th</sup> September 2007 to 18<sup>th</sup> September 2007 (both days inclusive).
8. Members are requested to quote their registered folio/Client ID number in all correspondence with the Company and notify the Company immediately of change, if any, in their address.

**By Order of the Board**  
**For and on behalf of IEC Softwares Ltd**

**Date: 30.07.2007**  
**Place: New Delhi**

**Sd/-**  
**Shweta Dixit**  
**Company Secretary**

### **Annexure to Notice**

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

#### **Item No. 5**

Mr.H.P Singh was appointed as Additional Director of the Company with effect from 20<sup>th</sup> January 2007, his term as Additional Director expires on the date of this Annual General Meeting pursuant to section 260 of the Companies Act, 1956 and Articles of Association of the Company. A notice under section 257 of the said Act with a deposit of Rs. 500/- which will be refunded if the appointment is confirmed has been received from a member signifying his intention to propose the name of Mr. H.P Singh for appointment as Director of the Company. Mr. H.P Singh has filed with the Company his consent to act as Director.

The Directors recommend his appointment as a member of the Board in the interest of the Company.

None of the Directors of the Company are concerned or interested in the Resolution.

#### **Item No. 6**

Mr. Rasik Makkar was appointed as Additional Director of the Company with effect from 20<sup>th</sup> January 2007, his term as Additional Director expires on the date of this Annual General Meeting pursuant to section 260 of the Companies Act, 1956 and Articles of Association of the Company. A notice under section 257 of the said Act with a deposit of Rs.500/- which will be refunded if the appointment is confirmed has been received from a member signifying his intention to propose the name of Mr. Rasik Makkar for appointment as Director of the Company. Mr. Rasik Makkar has filed with the Company his consent to act as Director.

The Directors recommend his appointment as a member of the Board in the interest of the Company.

None of the Directors of the Company are concerned or interested in the Resolution.

**Item No. 7**

Prof. A.K Khare was appointed as Additional Director of the Company with effect from 30<sup>th</sup> July 2007, his term as Additional Director expires on the date of this Annual General Meeting pursuant to section 260 of the Companies Act, 1956 and Articles of Association of the Company. A notice under section 257 of the said Act with a deposit of Rs.500/- which will be refunded if the appointment is confirmed has been received from a member signifying his intention to propose the name of Prof. A.K Khare for appointment as Director of the Company. Prof. A.K Khare has filed with the Company his consent to act as Director.

The Directors recommend his appointment as a member of the Board in the interest of the Company.

None of the Directors of the Company are concerned or interested in the Resolution.

**By Order of the Board  
For and on behalf of IEC Softwares Ltd**

**Date: 30.07.2007  
Place: New Delhi**

**Sd/-  
Shweta Dixit  
Company Secretary**

## Directors' Report

Your Directors take pleasure in presenting the Thirteenth Annual Report along with the Audited Statement of Accounts for the financial year ended March 31, 2007.

### FINANCIAL RESULTS

(Rs. in lacs)

	Year ended 2007	Year ended 2006
Income from Operations	420.09	454.66
Other income	10.46	6.18
Total Expenditure	346.96	981.22
Interest	30.71	73.76
Gross Profit/(loss) after Interest But before Depreciation & Tax	52.88	(594.13)
Depreciation	83.33	186.87
Provision for Taxation	0.35	0.39
Deferred Tax Liability/(-)Asset	16.67	239.66
Profit/(loss)	(14.13)	(541.72)
Profit b/f	(1509.67)	(967.95)
Profit/(loss) transferred to Balance Sheet	(1523.80)	(1509.67)

### BUSINESS OPERATIONS

#### *“Current Scenario”*

Over the year it is being seen that the recession period for IT industry is on its retreat, thus, the Company is expecting that scars of the bad phase will now be wiped off through sincere efforts of the dedicated personnel of your Company.

The Loss incurred by the Company during its lean period was due to blockage of huge chunk of money in Delhi government, for which we are now hopeful, that at least a position of the sum due would be released in near future.

During the year the Company has been able to earned cash profit(before tax) of Rs 59.47 lacs.





To facilitate pulling out of the “red”, your Company has not only maintained a healthy profile in servicing the contracts of computer education in Govt. schools and colleges of Rajasthan but has also been able to expand its Franchise base all over India.

Today Company has 27 Franchisee all over India.

### ***“Future Plan”***

The Company is trying to strengthen its leadership position in IT Training within India. For this the franchise business, which was once a core area of operation of your Company in the early nineties, has again been revived and we have already begun to “sign in” a fair number new franchisees within a very short time. The endeavor in this area is, to create a network first by charging reasonably low franchise fee and then enhance values once the culture and awareness is sustained and of course increase the service inputs to them.

With respect to new business, all our efforts are being made to make ingress into new areas viz-a-viz formal sector of education by opening colleges, schools for vocational and technical education. The Company also endeavors to expand its activities trans border through tie ups with various universities, government institutions in India and Abroad, for setting up of computing Departments. For that matter company is looking for all possible financial opportunities to take off with its proposed line of business. So in a way it can be said that our investors can certainly look forward, hopefully to a better tomorrow.

### ***“Financial Performance”***

During the year commencing from 1<sup>st</sup> April 2006 till 31<sup>st</sup> March 2007, the Company has recorded a Total Revenue of Rs.430.55 Lacs as against the total revenue of Rs.460.85 Lacs during the previous year.

Although the total revenues of the Company during the year has shown marginal decline of 6.5% but the Company’s Bottom Line has shown substantial improvement consequently the Company has suffered meager Loss of Rs.30.45 Lacs against loss of Rs.781.0 Lacs during the previous year. Whereas Net Loss (after Tax) has declined to Rs. 14.13 lacs as compared to huge amount of Rs. 541.00 lacs in the previous year.

Your Company in the past Three years has suffered huge losses on account of several factors including recession in IT Education, however, due to its strong brand equity and commitment of its existing promoters, the Company is able to pass this bad phase.

### **DIVIDEND**

Your Directors do not recommend any dividend for the year.

### **RESERVES**

This year reserves of the company stood at Rs.1873.25 lacs at par with last year.

## **DIRECTORS**

In accordance with provisions of Companies Act 1956 and Articles of Association of Company, Mr.H.P Singh, Mr. Rasik Makkar, has been appointed as Additional Director of the Company during the financial year.

Mr. Sarabjit Singh Saini, retire by rotation this year and being eligible, offer themselves for re-appointment.

Prof. A.K Khare, has been appointed as additional director of the Company on 30.07.2007.

## **SUBSIDIARY COMPANIES**

M/s IEC Leasing and Capital Ltd. subsidiary of IEC Software Ltd. is engaged in leasing business. The reports and audited accounts of IEC Leasing and Capital Ltd. along with statements pursuant to Section 212 of the Companies Act, 1956 form part of Annual Report.

## **INVESTMENT**

During the financial year 2006-2007, no investment was made by the Company.

## **REGISTRAR AND SHARE TRANSFER AGENTS**

The work relating to shares in Demat and physical mode is done by Registrar and Transfer Agents of the Company: M/s Alankit Assignment Ltd., 2E/21, Anarkali House, Jhandewalan Ext., New Delhi-110055.

Members are requested to send their correspondence regarding transfer of shares, Demat of shares and other queries to Registrar and Share Transfer Agents.

## **AUDITORS**

M/s Nath and Hari, Chartered Accountants, who retire at the ensuing Annual General Meeting and are eligible to be re-appointed.

## **CONSERVATION OF ENERGY**

The Operation of the Company are not energy intensive. However, appropriate measures wherever possible, will kick off to conserve energy.

## **TECHNOLOGY ABSORPTION**

The present global business scenario basically comprised of Competition and Innovation. Your Company endeavors to move with the time, in order to keep pace with fast changing technological innovation.