



Annual Report 2008

GROWTH COMMITTED





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 of 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 Pyt 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 fastst 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



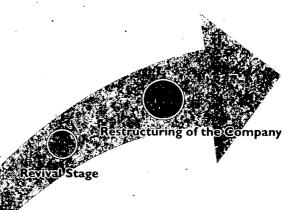


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A Walk Through Life



NEW EXPANSION PLANS

Incorporation and

Commencement of

Business





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

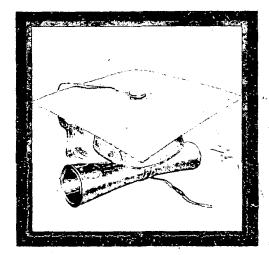
Subsidiary Companies

IEC Learning and Capital Management Ltd. IEC Learning and Management Ltd. IEC Education and Infrastructure Ltd. IEC Dynamics PTE Ltd.-Singapore

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

Visit us on: www.iecgroup.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 31" 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.
- To Consider and appoint a Director in place of Brig. S.V.S Chowdhry, who retires by rotation and being eligible offers himself for reappointment.
- 3. To Consider and appoint a Director in place of Mr. Kailash Nath, who Retires by rotation and being eligible offers himself for reappointment.
- 4. To Consider and appoint a Director in place of Mr. R.L. Gupta, who Retires by rotation and being eligible offers himself for reappointment.
- 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:

 $^{\epsilon}$ 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 we f1"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 (Rupces Twenty Pive Crores only) divided into 2,50,00,000 (Two Crore and Fifety 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
- 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.





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

1. Name : Brig. S.V.S Chowdhry (Retd.)

Age : 72 yrs

Qualification : B.Sc (Hons.), B.Sc Charted Engineer

Shareholding : Nil

Profile:

Being former chairman of the Computer Society of India and Institution of Electronics & telecommunication Engineers, he has very wide experience in the field of Information Technology.

Dire coolding company dire 1 April 1938

Other Directorship:

Name of the Company Position held
Vocational Education Foundation Member
Netcomm Lab (P) Ltd. Chairman
IEC Learning & Management Ltd. Director
IEC Education & Infrastructure Ltd. Director
IEC Leasing & Capital Management Ltd. Director

2. Name : Mr. Kailash Nath

Age : 68 yrs

Qualification: M.Sc., LL.B

Shareholding: Nil

Profile:

He had a lot of work experience at various level in various Government Department. He had joined as a officer in 1962. Since then had worked in various Government Department, including Ministry of Urban Development, Ministry of Agriculture and Personnel, Public Grievance and pensions. He has a wide exposure in technical as well as administrative fields. He was holding the position of Head of the officer and Chief Executive Officer for several years under Greh Kalyan Kendra, Ministry of Personnel, Public Grievances and pensions and retired as a secretary from that office. He held the position of Director in Ministry of Agriculture under Government of India for five years from 1991 to 1996.

Director of the Company of heat let Wereh 2008.

Other Directorship

Nil



3. Name : Mr.R.L Gupta

Age : 72 yr

Qualification: B.A, LL.B

Shareholding: 684260 Equity Shares constituting 9.78% of the total paid-up capital

Profile:

Promoter Director has been a visionary with a social cause. A lawyer of repute for years has remained very active and involved in their groups attempts to impart education and training to large number of public through the IEC brand.

A practicing advocate and reputed author, Mr. Gupta co-authored dozens of books. Many of these books in fact have earned the dual distinction of being approved by both Ministry of Finance and even the Income tax Apellate Tribunal. Apart from the centre many of these books have been in circulation for state libraries.

As a leading tax expert of the country, Mr. R.L. Gupta has been a prolific writer on taxation laws and has written dozens of

Books on taxation laws. The subject of tax penalties, being of the vital importance under income tax act, has always remained a topic of deep concern to all those connected with the administration and practice of tax laws. The publications are reputed for their unprecented scope and referral value, even among the reputed judges of Supreme Court and even High Court and people associated with the judiciary. Many of his books have been approved by Government of India, Central Board of Direct Taxes and even by Appellate Tribunal.

It was his vision of his look beyond and adapt latest technology, IEC under aegis of Vocational Educational Foundation (VEF) set up IEC College of Engineering and Technology (IEC-CET) in 1999 at Greater Noida.

Other Directorships:

IEC Leasing and Capital Management Ltd.

IEC Learning and Capital Management Ltd.

IEC Education and Infrastructure Ltd.

4. Name : Mr. Naveen Gupta

Age : 37 yrs

Qualification: B.A.

Shareholding: 396750 Equity Shares constituting 5.66% of the total paid-up capital

Profile:

At a very early age, Mr. Naveen Gupta took up the mantle of leading the IEC Group. Throughout he has been a business leader extraordinaire. He began his stint with strong commitment to quest for excellence in the field of education. The group was built on the simple vision Foundation of VALUES. Having associated himself with IEC brand he looked into the fields of Advertising, Marketing, Corporate Planning and Information Technology, Mr. Naveen has specialized in Personal Relations, Franchise operations, Business/Administration and Management. The Group under the patronage of Mr. Naveen Gupta is dedicated to build society intelligent, informed, socially responsible and well groomed citizens by imparting quality education early in life. Through his creativity and motivation, combined with the invaluable support of IEC Group team, the company is bound to grow exponentially for the next decade. Acknowledged as a visionary by his peers, Mr. Naveen Gupta has been a man ahead of his times. Anticipating the future, he has spearheaded several pathbreaking education sector trends and initiatives.





SOFTWARES LTD

Other Directorship

Name of the Company

IEC Leasing and Capital Management Ltd.

Vocational Education Foundation

P.D Memorial Sanstha

IEC Learning & Management Ltd.

IEC Education & Infrastructure Ltd.

Position held

Director

Secretary

President Director

Director

Name

: Mr. H.R Issarini (Retd.)

Age

61 yrs

: B.Com (Higher Accountancy), M.A (Public Administration)

Shareholding: Nil

Profile:

He has a rich experience of 32 years in Banking and has held various posts in many parts of our country like Rajasthan, Punjab, Gujarat, West Bengal, Haryana and U.P. He has given his dynamic leadership to India's biggest branch of Syndicate Bank in Nehru Place, New Delhi. Prior to joining Syndicate Bank he served as a lecturer for a year in Lal Bahadur Shastri College, Rajasthan. Mr. Issarani's career span includes stints at various banks in the country. In his last role he served as the Chairman of Gurgaon Gramin Bank. Before that he has held important positions like Zonal Manager, Syndicate bank Faridabad, Director of Gurgaon Gramin Bank, Zonal Manager, Syndicate Bank, Zonal office Lucknow, Meerut Wing.

Other Directorship

NIL

Name

: Mr. J.K. Bhola

Age

Qualification: L.L.B from Delhi University, M.Sc(Mathematics)

Shareholding: Nil

Profile:

Practicing before hon'ble Supreme Court, High Courts District Courts of various states including Delhi, Mumbai, Kolkata, Haryana Chandigarh Allahabad and Gujrat, Himachal Pradesh and has made appearances in National Consumer Dispute Redressal Commission, Delhi, Mr. Bhola has experience of almost 18yrs in field of handling various civil, criminal , arbitration. He has expertise in handling industrial and labour cases.

asan Avilli tonel Director of the Company on 4th Janu

Other Directorships:

NIL



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

Item no. 6

Mr. H.R Issarani was appointed as an Additional Director of the Company with effect from 4th January, 2008, his term as an 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 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.R Issarani for the appointment as Director of the Company. Mr. H.R Issarani has filled with Company his consent to act as a Director.

The Board of Directors recommends resolution for the approval of shareholders.

None of the Directors of the Company are concerned or interested in the Resolution except Mr. H.R. Issarani.

Item no. 7

Mr. J.K Bhola was appointed as an Additional Director of the Company with effect from 4th January, 2008, his term as an 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 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. J.K Bhola for the appointment as Director of the Company. Mr. J.K Bhola has filled with Company his consent to act as a Director.

The Board of Directors recommends resolution for the approval of shareholders.

None of the Directors of the Company are concerned or interested in the Resolution except Mr. J.K. Bhola.

Item No. 8 and 9

Mr. Navcen Gupta as have already mentioned has almost 17 yrs of experience in the field of Advertising, Marketing, Corporate Planning and Information Technology, Personal Relations, Franchise operations, Business / Administration and Management. He held Directorship in the Company since incorporation till 31st March 2006. Later on 30th October 2007 Mr. Navcen Gupta joined the Company as Vice President and later promoted to Chief Executive officer on 22nd May 2008. With his able leadership since he re-joined the Company in the year 2007, several other measures have been taken to revive the operations of the Company. Thus, it is imperative to invite Mr. Navcen Gupta to join the Board of the Company as Managing Director and benefit the organization through his valuable direction and leadership. Mr. Navcen Gupta have been appointed as additional director on 27th June 2008 and Managing Director for a period of five years subject to the consent of shareholders at a remuneration of Rs. 2,00,000/- per month as approved by remuneration committee.

Brief resume as per Clause 49 of the listing agreement is provided under the Report on Corporate Governance.

The above may be treated as an abstract of the terms of appointment of Mr. Naveen Gupta under Section 302 of the Companies Act, 1956.

The Board of Directors recommends resolution for the approval of shareholders.

None of the Directors of the Company are concerned or interested in the Resolution except Mr. R.L. Gupta and Mr. Naveen Gupta.

Item No. 10

The existing Authorized Capital of the Company is Rs. 20,00,00,000 (Twenty Crore only) divided into 2,00,00,000 (Two Crore only) Equity Shares of Rs. 10/-. The Company needs further funds to meet its obligations and to explore possibilities for expansion of operations. The Board of Directors in its meeting held on 27th June 2008, decided to increase its Authorised Capital of the Company by Rs. 5,00,00,000 (Five Crore only). The new capital of the Company stands increased to Rs. 25, 00,00,000 (Twenty Five Crore only). With the increase in the authorized capital, the Memorandum and Article of Association of the Company needs to be altered, wherever necessary.

The proposal for increase in Authorised Capital and alteration in the capital clause of the Memorandum of Association of the Company requires approval of members in general meeting. Therefore, the Board recommends for passing of special resolution as set out in the item No. 10 of the notice convening the Annual General Meeting.

The Board of Directors recommends resolution for the approval of shareholders

None of the Directors of the Company are concerned or interested in the above said resolution except as a member of the Company.

Date: 27th June, 2008

By Order of Board of Directors

Place: Delhi

sd

Shweta Dixit (Company Secretary)





Directors' Report

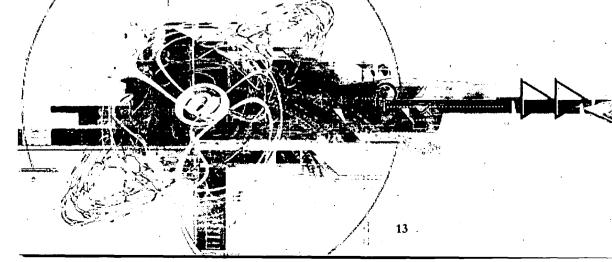
To the Members

Your directors have pleasure in presenting the 14th Annual Report of the Company, together with Audited Accounts for the year ended March, 31, 2008.

FINANCIAL RESULTS

(Rs. in lacs)

	Year ended 2008	Year ended 2007
Income from Operations	575.64	420.09
Other income	14.22	10.46
Total Expenditure	371.69	346.96
Interest	15.46	30.71
Gross Profit/(loss) after Interest But before Depreciation & Tax	202.71	52.88
Depreciation	75.20	83.33
Provision for Taxation	0.11	0.35
Deferred Tax (Liability)/Asset	16.23	16.67
Profit/(Loss)	111.17	(14.13)
Profit/(Loss) Brought forward	(1523.80)	(1509.67)
Profit/(Loss) transferred to Balance Sheet	(1412.63)	(1523.80)





Financial Highlights

Your Company in the past few years have 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 has been able to pass this bad phase which is reflected in the financial performance of the Company during 2007-2008.

The year 2007-2008 has been a year of turnaround for the Company. During the year, the Company has recorded 35% increase in the total turnover, which stood at Rs. 589.86 lacs as on 31" March 2008 as against the total turnover of Rs. 430.55 lacs during the previous year. The credit for increase in the turnover goes to increase in number of students in government schools of the states wherein the company is implementing ICT projects.

This year the Company has shown good profits to the tune of Rs. 111.17 lacs as against losses of Rs. 14 lacs during the last financial year.

The overall impact of this spurt in Net profits has its ultimate reflection on the EPS ratio which is 1.59 as on 31" March 2008 as against - 0.20 during the last year.

Business Operations

After a long period of depression undergone, financial year 2007-2008 started as a dawn for the Company. Uptill now your company had primarily been involved in ICT projects with various state governments out of which Project with State of Rajasthan is still continuing and Franchisee to the tune of 30 in Northern India. It was observed that the existing business model is not generating sustainable revenues and decided to explore opportunities lying in core Education Sector. Moreover as you are aware that IT Industry, especially the Computer Education sector, was facing recession for last several years, as a result of which the company was continuously incurring losses on account of bad debts. By the end of financial year 2006-07 the accumulated losses raised to Rs. 152,380,369.77 (Fifteen Crore Twenty Three Lakh Eighty Thousand Three Hundred and Sixty Nine Rupees and Seventy Seven paise). However, from the beginning of the year 2007, the industry has shown a positive sign and your Company's financials have also improved gradually. In the business front also the Company has expanded its wings and now it has definitive tie-up with the Government of Rajasthan to provide Computer education in schools. The Company also have 30 Franchisees all over India. The Networth of the Company has eroded substantially to the extent of the past losses. Eventhough, the results of the Company for the year 2007-2008 are positive but due to huge accumulated losses in the books the balance sheet of the company may not show a good picture. Consent of shareholders have already been taken for reorganization of capital structure by setting off of losses from Capital Reserve, share premium account and balance from General reserve. Petition will be filed with High Court as soon NOC from the Bombay Stock Exchange is received. It is expected that before 31th March 2009 the company will be in a position to come out of its accumulated losses.

In January 2008, 70,00,000 warrants were also issued at a price of Rs. 30 per warrant, to Promoter and Non-promoter group in order to infuse funds in the Company for its existing operational expenses and strengthen its base for future operations.

IEC is keen to expand into the field of education and to make IEC emerge as a leading education provider in India. To achieve this objective, IEC is exploring the organic as well as inorganic initiatives. In the process the Company is in the process of merging of VEF Information Systems Private Ltd with IEC, which is engaged in providing various educational and support services to certain private educational institutes in North India.

As have already mentioned that the promoters of the Company are once again willing to revamp the operations of the Company and willing to foray into education sector. Toward this integration, the Company has already struck a deal with a company specialised in providing learning support services to certain private educational institutes in North India, providing engineering and management education to students at graduate and post-graduate levels. With the advancements in education methods and techniques, VEF strives to become a specialised service provider to such educational institutes, without directly entering in providing courses to students. VEF has a pool of faculty which provided specialised courses to students of the educational institutes to whom VEF serves, and this Company is being merged with IEC Softwares Ltd.

To enable a smooth foray into the growing education sector, need for change in objects was felt so as to realign them in consonance with various proposed activities which the Company shall undertake in the times to come. The members have already given their consent through Postal Ballot Form, the result of which has already been declared and posted on the website of the Company. The new objects approved by the members are reiterate herein below:

1. To establish, setup and run in any part of India or abroad, colleges, universities deemed or private, institutes, where professional, technical, vocational or higher education in every field of science, commerce, arts, management, engineering,





law, banking, insurance, finance, medicine, hospitality, tourism, computers, or any other type of education be imparted through regular, part time, weekend or fulltime or distance learning degree/diploma courses, subject to such approval/licence or permission as may be required from state, central government or AICTE, Bar Council of India. Dental Council, Pharmacy Council, Medical Council or association or such other statutory bodies repectively by conducting regular, evening or weekdays, weekend interactive classes or such other statutory bodies by conducting regular, evening or weekdays, weekend interactive classes or through distance learning or e-learning mode and to award degree/diploma or certificates respectively.

- 2. To enter in to joint Venture or collaborate with accredited educational institutions in India/outside India and to provide such infrastructure assistance to such accredited educational institution and such other learning support on such terms and conditions as may be decided by the Company from time to time.
- 3. To establish; set up and run in any part of India or Abroad schools, smart schools wherein pre-primary, primary, secondary, senior secondary level education be imparted, subject to such approvals / affiliations /authorizations as may be required from state, central government, central Board for Secondary Education, State Board, International Baccalaureate or any other such national or international authority.
- 4. To establish, set up and run in any part of India or Abroad Finishing schools, tutorials, Personality Development Programmes, Placement cells, teaching pedagogy, and to impart life education, skills, holistic development programme, specific study skills vis-a-vis English language, and any other form of education to students, professional and teachers, using literature and works of natural arts in India and other countries.
- 5. To develop content for IT, management, healthcare and life sciences courses and all educational fields be it at school or college level, application and procedural training, engineering equipment, machinery, technical and help manuals as well e-learning portals, virtual universities, online training, teaching studios satellite study
- 6. To develop content in any media either online or offline, collaborative learning, synchronous and asynchronous learning etc and be delivered on any platform include various forms like CBT (Computer based training), wbt (web based training), instructor led, virtual classrooms and a blended model of training.
- 7. To carry on the business of creating and developing infrastructure; buildings and facilities for the purposes of setting up educational institutions whether high schools, primary schools, reschools, colleges and universities and formal learning centres including societies, studios, of all kinds and to run and manage existing as well proposed schools and colleges.
- 8. To form trusts, societies, association of persons for the purpose of employees welfare, to further any social cause for the benefit for public at large or for acquisition of land, property, furniture and fixtures, plant and machinery to run educational institutions.

Since the new objects reflects shift of Company's main operation from informal sector to core Education Sector the change of name is imperative and inevitable. The members have already given their consent for change in name from IEC Softwares Limited to IEC Education Limited, or any other name (as may be approved by Registrar of Companies, NCT of Delhi and Haryana) suitable to company's proposed ventures into education business.

Taking into account the further requirements of additional finance for the expansion programme/new projects to be undertaken, the Company is exploring the opportunities for raising funds through a blend of debt and equity. Consent of the shareholders have already been taken for increase in borrowing limits upto 100 cr. Which earlier was 25crs.

DIVIDEND

Your Directors do not declare any dividend for the year.

RESERVES

This year reserves of the company stood at Rs. 460.62 lacs in comparison of Rs. 349.45 lacs of the last year (after deducting accumulated losses)

DIRECTORS

In accordance with provisions of Companies Act 1956 and Articles of Association of Company, Brig. S.V.S Chowdhry, Mr. Kailash Nath, and Mr. R.L Gupta, retires by rotation this year and being eligible, offer themselves for re-appointment.



During the year two more Directors Mr. H.R Issarani and Mr. J.K Bhola were also appointed as additional Directors on 04th January 2008.

Mr. Naveen Gupta has been appointed as Additional Director on 27th June 2008 and subsequently Managing Director subject to the approval of Shareholders.

SUBSIDIARY COMPANIES

IEC Softwares ltd. has invested 51% in the share capital of the IEC Learning and Management Ltd and IEC Education and Infrastructure Ltd. newly incorporated subsidiaries. Equal representation by the two Board members of IEC Softwares Ltd. on the Board of these two subsidiaries.

IEC Learning and Management Ltd. is establish to run, maintain and manage educational institutes, schools, and conduct classes, training centres seminars, conferences, workshops or impart education in all forms or kind for all types of competitive, professional, degree, vocational diploma or any other type of examination, courses and programmes.

IEC Education and Infrastructure Ltd. is set up to develop, provide Instructional and Computing Technology including computer education programme and computer aided learning curriculum books, contents, educational aids, upgrading educational content/curriculum/books, facilitating the schools in its curriculum/content/educational requirements, providing online education to schools, colleges, educational institutions and universities.

IEC Leasing and Capital Management Ltd. is a wholly owned subsidiary of the Company, established for the purpose of leasing of all types of goods, materials, movable and immovable properties, machinery, land, building, industrial and manufacturing plants, consumer goods of all types.

IEC Dynamics PTE Ltd.

The Company is stretching its arms in overseas market. It has initiated process of incorporating a subsidiary company in Singapore with the name IEC Dynamics PTE LTD to undertake following Proposed Business Activities:-

To establish, takeover, run and manage Educational Academy, Institutions, centers, schools, colleges for imparting all type of education to students for various courses and competitive exams including medical, Dental, Pharmacy, Engineering, Polytechnic, Information technology, Management, hotel & Tourism Management, Fashion Technology and all types of academic, professional, vocational, technical or computer courses for exams conducted by various Board/Universities or Institutes.

INVESTMENT

During the financial year 2007–2008, the company has made total investment worth Rs. 10,20,000/- (Rs. 5,10,000/ in each subsidiary) in the share capital of in two subsidiaries incorporated during the year.

REGISTRAR AND SHARE TRANSFER AGENTS

The work relating to shares in Demat and physical mode is done by Régistrar 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 Operations of the Company are not energy intensive. However, appropriate measures wherever possible, will kick off to conserve energy.

TECHNOLOGYABSORPTION

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.





PARTICULARS OF EMPLOYEES UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956.

Particulars of employees as required under 217(2A) of the Companies Act, 1956, read with Companies (Particular of Employees) Rules, 1975, as amended, are not given, as none of the employees qualifies for such disclosure.

INFORMATION UNDER SECTION 217(1) (e) OF THE COMPANIES ACT, 1956.

The Company being engaged in Software Training & Consultancy, therefore no disclosure relating to conservation of energy and technological absorption is reported.

FOREIGN EXCHANGE EARNING & OUTGO

The details of the earning and outgo of the foreign exchange is given below.

(in Rs.)

Earning

Nil

Outgo

Nil

DIRECTORS' RESPONSIBILITY STATEMENT AS PER SECTION 217(2AA) OF THE COMPANIES ACT, 1956

As required under Section 217(2AA) of the Companies of the Companies Act, 1956, the Directors hereby confirm that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- 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 and of
 the loss of the Company for that period.
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the
 provisions of this Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.
- The Directors had prepared the annual accounts on a going concern basis.

PUBLIC DEPOSITS

The Company has not invited or accepted public deposits during the year.

LISTING OF SHARES

The names & addresses of stock exchanges where shares of your Company are listed are:-

- The Delhi Stock Exchange Association Ltd., DSE House, 3/1 Asaf Ali Road, New Delhi-110002
- The Stock Exchange, Mumbai, Phiroze Jeejeebhoy Tower, 25th Floor, Dalal Street, Mumbai-400001
- The Jaipur Stock Exchange Ltd, JLN Marg, Malviya Nagar, Jaipur-302017

The Listing fee for the year 2007-2008 has been paid on time to all the Stock Exchanges.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION ANALYSES

Report on Corporate Governance and Management Discussion and Analyses are annexed and forms part of the Annual Report.

APPRECIATION

Your Directors wish to extend their thanks and appreciation to all our stakeholders-the employees of Company at all levels, shareholders, business associates for their commitment for their dedication, hard work and their respective contribution to the Company's success during the year under review.

For and on behalf of the board

Place: Delhi

Date: 27th June 2008

sd

Brigd. S.V.S Chowdhry Chairman



Milestones so far.

ACCREDITIONS & AFFILIATION

- Approved organization of AICTE
- Empanelled with IGNOU
- · Approved Organization of DOEACC
- Registration with London Chamber of Commerce and Industry Examinations Board, U.K.
- Departments of Electronics, Govt of India

PRESTIGIOUS EDUCATIONAL PROIECT

- · For Bureau of Indian Standard
- · For postal & Telegraph dept.
- Govt. of M.P., Chattisgarh, Delhi and Rajasthan
- For National Council for Promotion of MHRD Project
- For Grih Kalyan Kendra
- For Ministry of Personnel Public Grievances and Pension



TURNKEY PROJECT

- · Project of MP Govt, worth Rs. 250 crores to provide IT Education
- · Project of UP Govt worth Rs. 250 Crore to provide IT Education
- · Project of Rajasthan Govt, worth Rs. 15 Crore
- Project worth Rs. 10 Crores to provide IT Education with Govt. of Delhi, NCT
- · Project worth Rs. 20 Crores for Ministry of HRD
- Multi Crore projects to provide IT Education to various Universities.

PRESTIGIOUS EDUCATIONAL PROJECT

- For BIS
- · For Postal and Telegraph Department
- Govt. of Madhya Pradesh, Chattisgarh, NCT
- For National Council for Promotion of Urdu Language Project
- For Grih Kalyan Kendra Project
- For Ministry of Personnel Public Grievances & Pension

INTERNATIONAL TIE-UPS

- Next Gen Solutions, Chicago, U.S.A.
- Ugosoft.com, New Jersey, U.S.A
- Unified Access Communications, Boston, U.S.A.
- Malaysia Part of Multimedia Super Corridor and Tie-up with various Malaysian Universities to provide IT enhancement programmes in its various colleges.

MEMBERSHIPS

- NASSCOM
- Electronics & Computer Software Export Promotion Council
- National Association of Computer Trainers
- · Computer Society of India
- India Trade Promotion Organization

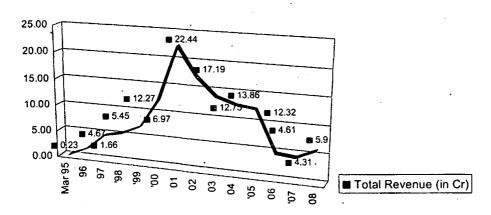






Financial Journey so far...

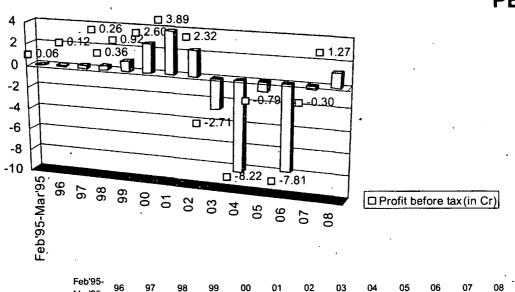
Total Revenue



Mar 95 96 97 '98 '99 '00 01 02 03 04 '05 06 '07 08

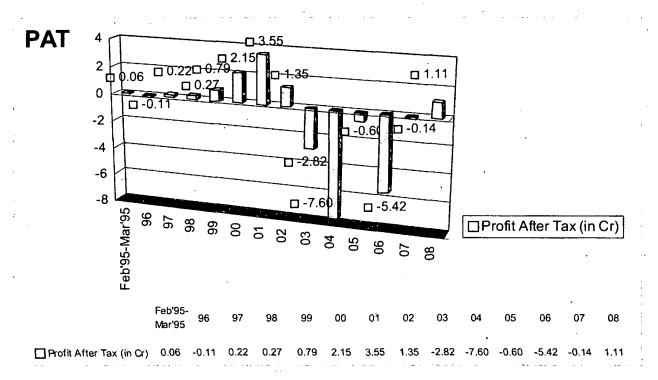
Total Revenue (in Cr.) 0.23 1.66 4.67 5.45 6.97 12.27 22.44 17.1913.86 12.75 12.32 4.61 4.31 5.9

PBT

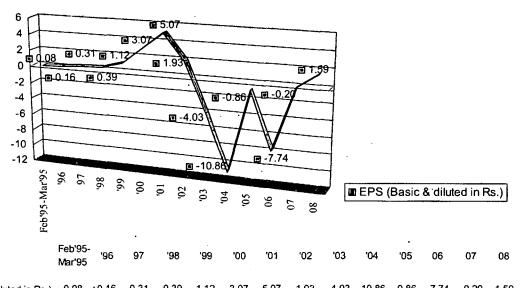


TProfit before tax(in Cr) 0.06 0.12 0.26 0.36 0.92 2.60 3.89 2.32 -2.71 -8.22 -0.79 -7.81 -0.30 1.2





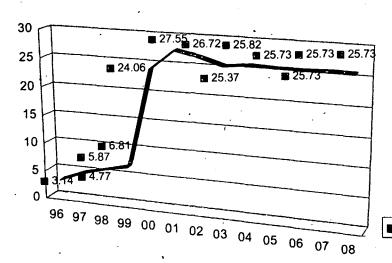
EPS (Basic & diluted in Rs.)







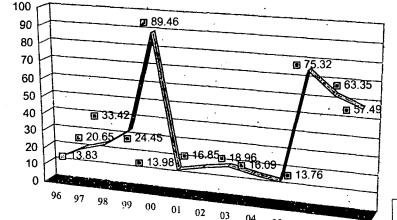
Net Worth



Net Worth (in Cr)

96 97 98 99 00 01 02 03 04 05 06 07 08

Net Worth(in Cr) 3.14 4.77 5.87 6.81 24.1 27.6 26.7 25.4 25.8 25.7 25.7 25.7 25.7



Net Block (in Cr)

■ Net Block (in Cr)

96 97 98 99 00 01 02 03 04 05 06 07 08

Met Block (in Cr) 13.83 20.65 24.45 33.42 89.46 13.98 16.85 18.96 16.09 13.76 75.32 63.35 57.49

05

06

07



Report on Corporate Governance

"The governance of Companies is more important for world economic growth than the government of countries."

The Corporate Governance is a key element in enhancing investor confidence, promoting competitiveness and ultimately improving economic growth.

For IEC, Corporate Governance is a system inherent in the entire organizational structure. Your Company perceives it as a way in which a business organization is directed and controlled by appropriate distribution of rights and responsibilities across the board, managers, employees and shareholders. At IEC Corporate Governance is not only limited to protection of interest of the shareholders but of the board, employees, and all other parties, keeping interest in the Company.

Your Company is committed to maintaining the highest standards of Corporate Governance in its dealing with various interested groups viz-a-viz employees, debtors, creditors, statutory authorities, shareholders.

IEC endeavors to effectively use Corporate Governance as a tool to set and achieve objectives and monitoring performance.

IEC believes in and endeavors, complete disclosure and transparency of clear information with which meaningful analysis of the company and its action can be made by the outside interested parties and facilitate effective functioning of the Board, management, employees, and provide efficient legal and regulatory framework.

BOARD OF DIRECTORS

As On March 31" 2008, the Board of the Company, comprised of Ten Directors out of which Nine are Non Executive. Since the Chairman of the Board is Non-Executive, there are six Independent Directors, more then the minimum requirement of four.

Suite Suite	Coughy bil Difestif	profondide	allerede Apoline	mbashipin milita
) Veguliar	(Clation)
Brig, S.V.S Chowdhry	Non- Executive, Independent Chairman.	03	NIL .	NIL ·
Mr. L.C.Goel Mr. R.L. Gupta	Executive Non-	NIL 03	Nil Nil	Nil Nil
Mr. Kailash Nath	Executive, Promoter Non- Executive, Independent	NIL .	NIL	NII
Mr. Sarabjit Singh Saini	Non- Executive, Independent	NIL	Nil	Nil
Mr. A.K Khare	Non Executive- Independent	02	Nil	Nil
Mr. Rasik Makkar	Non- Executive,	NIL	Nil	- ; Nit
Mr. J.K Bhola	Non- Executive, Independent	NIL	Nil	Nil
Mr. H.P Singh	Independent. Non- Executive	NIL	Nil	Nit
Mr. H.R Issarani	Independent, Non- Executive	NIL	NIL	NIL

^{*} Committees include Audit Committee, Remuneration Committee, Investors' Grievances Committee/Share Transfer Committee.





DURING THE FINANCIAL YEAR 2007-2008, YOUR BOARD OF DIRECTORS HAVE MET TEN TIMES, ON THE FOLLOWING DATES.

21.04.2007.30.07.2007, 11.09.2007, 30.10.2007, 17.12.2007, 04.01.2008, 10.01.2008, 21.01.2008, 10.03.2008, 18.03.2008, 10.01

ATTENDANCE OF EACH DIRECTORS AT THE BOARD MEETINGS AND LAST AGM, DURING THE FINANCIAL YEAR 2007-2008.

	No of Hoard inceing drinded	Allendrisen de Tenado Allendri Turcano	Remarks
Brig. S.V.S Chowdhry	10	YES	The second secon
Mr. L.C.Goel	. 8	YES	Appointed as the Executive Director w.e.f 16,10.03
Mr. R.L. Gupta	10	YES	
Mr. Kailash Nath	9	YES	
Mr. Sarabjit Singh Saini	8	YES	
Mr. A.K Khare	5	YES	Appointed as Additional Director on 30.07.2007
Mr. Rasik Makkar	8	No	
Mr. J.K Bhola	2	NA	Appointed as Additional Director on 04.01.2008
Mr. H.P Singh	7	NA	
Mr. H.R Issarani	4	NA	Appointed as Additional director on 04,01,2008
Arun Aggarwal	1	NA	Resigned from Directorship on 30,07,2007

BOARD COMMITTEES

At Present the Board has three committees, Audit Committee, Shareholder Committee and Remuneration Committee.

Audit Committee

As a measure of good Corporate Governance and to provide assistance to the Board of Directors in fulfilling the Board's oversight responsibilities, an Audit Committee has been constituted which is headed by an Independent Director.

Composition of the Audit Committee as on March 31, 2008:

- · Brig. S.V.S. Chowdhry, Chairman
- · Kailash Nath, Member
- Sarabjit Singh Saini, Member

The terms of the reference and role of the Audit Committee:

- Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending the appointment/removal of external auditor, fixation of audit fee and also approval for payment for any other services;
- · Reviewing with Management the Annual financial statements before submission to the Board, focusing primarily on;
- Reviewing with the Management, external and internal auditors, the adequacy of internal audit department, staffing and seniority of
 the official heading the department, reporting structure, coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow-up thereon;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is a suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussing with external auditors before the audit commences, the nature and scope of audit as well as have post audit discussions to ascertain any area of concern;



- · Reviewing the Company's financial and risk management policies;
- Any changes in accounting policies and practices;
- · Major accounting entries based on exercise of judgement by Management;
- Qualifications in draft Audit Report;
- Significant adjustments arising out of audit;
- The going concern assumption;
- Compliance with Accounting Standards;
- Compliance with Stock Exchange and legal requirements concerning financial statements;
- Any related party transactions i.e. transaction with promoters, management, their subsidiaries or relatives etc. that may have potential
 conflict with the interests of the Company at large.

Four meetings of the Audit Committee were held during the financial year 2007-2008.

Name	No. of Audit Committee meetings Attended
Brig. S.V.S Chowdhry	04
Mr. Kailash Nath	04
	* *
Mr. Sarabjit Singh Saini	04

Remuneration Committee

The Board of Directors has formed a Remuneration Committee on 30.04.2002 to determine the remuneration package for the Executive Directors including their pension rights and any compensation and for the appraisal of the performance of Executive Director. The Remuneration committee is headed by an Independent Director.

The Composition of the Remuneration Committee as on March 31, 2008 are as under:

- Brig. S.V.S. Chowdhry, Chairman,
- Mr. Kailash Nath, Member
- Mr. Sarabjit Singh Saini, Member
- Mr. A.K. Khare, Member

No meeting of the remuneration committees held during the financial year 2007-2008.

The remuneration paid to the Executive Directors including Managing Director and sitting fees to non-executive Directors for the year 2007-08 is given hereunder:

Name .	Remuneration included in the line included in the line included in the line included included in the line included in the line included included in the line included in the line included inclu	ma roen(han(Ger)
Brig. S.V.S CHOWDHRY	Nil	9250.00
MR. L.C GOEL	Nil	0.00
MR. R.L GUPTA	Nil	7500.00
MR. KAILASH NATH	Nil	8500.00
MR. SARABJIT SINGH SAINI	. Nil	6500.00
MR. RASIK MAKKER	Nil	6000.00
MR. H.P SINGH	Nil	5250.00
MR.H.R ISSARANI	_ Nil	2250.00
MR. A.K KHARE	Nil	3000.00
MR. J.K.BHOLA	Nil	1500.00
MR. ARUN AGGARWAL	Nil	750.00

The sitting fee for attending the meeting of Board of Directors is Rs.750/- per meeting and that of committee is Rs.250/- per meeting.





Shareholders / Investors' Grievances Committee

· The Company formed the Shareholders/Investor Grievances Committee on 16th June 2001 to look into the following matters:

- To look into the investors grievances and redressal thereof.
- To see that investors queries are replied within the specified time limit from the date of receipt of such query and no investor
 grievance is kept pending for a period more than the time specified except in case which are constrained by dispute or legal
 impediments.
- To see that the shares are transferred within the specified time limit from the date of lodgement of the transfer.
- To see that shares are transferred without any hindrances except in the case of material defect in the share transfer deed.
- To see that dividend, if any, declared by the members/board are remitted to the shareholders within the time limit as provided in the Companies Act, 1956.
- To see that unpaid and unclaimed dividend are transferred to the unpaid dividend account within the period specified in the Companies Act, 1956.
- To register the change of address, transposition of name, dematerialization request, loss of share certificate, issue of duplicate share certificate and any other kind of investor grievances.
- To see that all the kind of notices, details to be furnished to shareholders and any other information as asked by the shareholder are
 furnished within appropriate time limit.
- To see that the statutory books are kept open for the inspection of shareholders as provided in the Companies Act, 1956 and extracts, copies thereof furnished within specified time limit in accordance with the provisions of Act.

The Committee is headed by Mr. Kailash Nath-Non-Executive, Independent Director.

There has been no investor complaint during the financial year 2007-2008.



Details of Complaints received and redressed during the year 2007-08 are here below:

Particulars	Complaints Received	Complaint Redressed	Pending Complaints
Change of Address	Nil	Nil	Nil
Transmission	Nil	Nil .	Nil .
ECS / Mandate	Nil	Nil	Nil
Duplicate certificate	Nil	Nil	Nil

Total NIL Complaints/requests were received during the financial year 2007-2008.

NAME AND DESIGNATION OF COMPLIANCE OFFICER FOR FINANCIAL YEAR 2007-2008.

Ms. Shweta Dixit, Company Secretary of the Company is compliance officer of the Company.

GENERAL BODY MEETING:

Location and date of the last three Annual General Meetings of the Company:-

Year	Date of AGM	Venue	Time
2004-2005	26.09.2005	Shah Auditorium, 2, Raj Niwas Marg, Delhi- 110054	10.00 a.m.
2005-2006	25.09.2006	Shah Auditorium, 2, Raj Niwas Marg, Delhi- 110054	10.00 a.m.
2006-2007	18.09.2007	Shah Auditorium, 2, Raj Niwas Marg,Delhi-110054	10.00 a.m

Extra Ordinary General Meeting of the Company held on Wednesday, 30th Jan. 2008, at Sri Sathya Sai International Centre, Lodhi Road, New Delhi at 10.00 am to pass the following resolutions as special resolutions:-

- 1. To Issue, offer and allot 70,00,000 (Seventy Lac only) convertible warrants to the promotor as well as non-promotor group.
- 2. Re organization of reserves and surplus.

No special resolutions has been passed in the previous three Annual General Meetings.

No resolution by postal ballot has been passed during the last year.

Following resolutions have been passed by postal ballot on 27th June 2008.





Item	Description.	% of votes cast in
No.		favour out of total voting
1,	Change the Main Object Clause of Memorandum.	99.99%
2.	Change the Name clause of Memorandum.	99.99%
3.	Increase the Borrowing power upto 100 crores u/s 293(1)(d).	99.99%
4.	Increase the maximum limits of Directors in Article of Association.	99.99%

Mr. Pradeep Debnath of M/s Pradeep Debnath & Associates was appointed as Scrutinizer to conduct postal ballot process in fair and transparent manner.

Procedure of Postal Ballot

Postal Ballot notice along with postal ballot form was dispatched on 26th May 2008. Duly completed Postal Ballot Form reached the Scrutinizer uptill closing working hours of Wednesday, 25th June, 2008 were considered. Postal Ballot Form received after this date were be strictly treated as if reply from the member have not been received. The result of this Postal Ballot declared on 27th June 2008.

DISCLOSURE:

- The Company has not entered into any transactions of a material nature with the Promoters, Directors or the Management, their subsidiaries or relatives that may have potential conflict with the interest of the Company at large. Relvant disclosure has been made as per AS-18 under Schedule 20 annexed to the balance sheet.
- Company has neither been penalized, nor have any strictures been imposed by the Stock Exchange, SEBI or any statutory authority, during the last three years on any matter relating to the capital market.
- The Company has not accepted any Public Deposits under Section 58A and Section 58AA of the Companies Act 1956. Hence the
 provision of the said section and the rules are not applicable.
- The Company has duly followed the Accounting Standards in the preparation of Financial Statements.
- The Company is prompt in making payments of statutory dues to various statutory authorities like for TDS, PF,etc. other than in exceptional and unforeseen financial circumstances.
- Three cases are pending against the Director of Education, Government of Delhi, NCT, with the arbitrator, one with Consumer Court, and Income Tax appeals are pending for different assessment years with different authorities like C.I.T. appeals and I.T.A.T.
- The registered office of the Company will be shifted from M-92, Connaught Place, New Delbi-110001 to 5, Sant Nagar, East of Kailash, New Delbi.
- Mandatory requirements of Clause 49 have been duly complied with.
- Details of compliance with Non-mandatory requirements are as follows:
 - The Company has formed Remuneration Committee to determine on their behalf and on behalf of the shareholders specific remuneration package for Executive Directors.
 - Whistle Blower Policy- The Company completely supports and promotes intent of whistle blower policy and proposes adoption of means through which employees can have direct access to the management, to report violation of code of conduct or ethic policies of the company and in exceptional cases access to the chairman.

MEANS OF COMMUNICATION

The quarterly and annual financial results of the Company are provided to the Bombay Stock Exchange Ltd. where the shares of the Company are listed. The results are normally published in the leading newspapers like 'The Financial Express'/Pioneer in English, 'Veer Arjun' in Hindi.

These results are also displayed on the Company's website www.iecgroup.in

Company's website also displays official news releases and the presentations made to institutional investors or to the analysts as and when made.



General Share Holder Information

Annual General Meeting

Day, Date & Time Wednesday, 6th August 2008 at 10:00 A.M.

Venue Sri Sathya Sai International Centre, Institutional Area, Pragati Vihar, Lodhi Road, New Delhi

1st August 2008 till 6th August 2008. Book Closure

Listing on Stock Exchange The Stock Exchange, Mumbai, The Delhi Stock Exchange Association Ltd. and

Jaipur Stock Exchange Ltd.

The Stock Exchange, Mumbai 531840 Delhi Stock Exchange 8254

The Jaipur Stock Exchange Ltd.

Demat ISIN Numbers in

Stock Code

INE 172B01017 NSDL&CDSL

Financial Calendar 2008-09 (Tentative and Subject to Change)

For the financial year April 1, 2008 to March 31, 2009, the results would be announced by

July 31, 2008 - For the first quarter ending June 30, 2008.

October 31, 2008 - For the second quarter ending September 30, 2008.

January 31, 2009 - For the third quarter ending December 31, 2008.

April 30, 2009 - For the fourth quarter ending March 31, 2009.

Annual General Meeting for the financial year ending March 31,2009: Up to September, 2009

Market Price Data

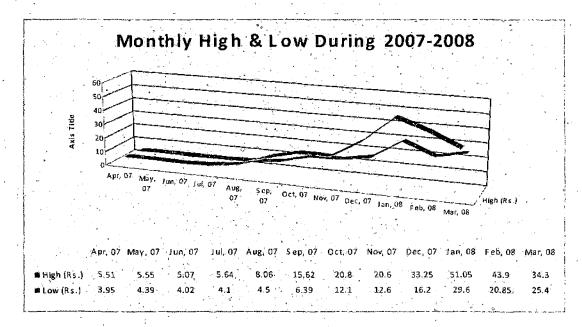
The details of the High/Low price of the shares of the Company (At BSE) during the financial year 2007-2008 along with the total traded volumes is given hereunder.

> Scrip Code: 531840 Company::IEC SOFTWARE For the Period : April 2007 to March 2008

	Month		High Price			No. of Shares		Total Turnover(Rs.)		read s.)
•				4					H	C-O
	April 2007	4.34	5.51	3.95	5.16	47966	198	235,153.00	1.56	0.82
	May 2007	5.40	5.55	4.39	4.83	25711	134	129,188.00	1,16	-0.57
	June 2007	4.60	5.07	4.02	4.10	26861	200	119,100.00	1.05	-0.50
٠,	July 2007	4.29	5.64	4,10	5.03	88678	305	440,241.00	1.54	0.74
į	August 2007	5.28	8.06	4.50	6.74	192895	422	1,227,137.00	3.56	1.46
	September 2007	6.41	15.62	6.39	15.62	208043	, 458	2,048,904.00	9:23	9.21
-	October 2007	16.40	20.80	12.10 .	15.15	892597	2375	15,465 564 00	8.70	-1. 25
	November 2007	14.90	20,60	12.60	17.05	650293	1179	11,223,052.00	8.00	2.15
	December 2007	17.35	33.25	16.20	33.25	688016	1667	17,056,003.00	17.05	15.90
	January 2008	34.90	51.05	29.60	35.30	773547	2851.	32,288,756.00	21.45	0.40
	February 2008	34.50	43.90 '	20.85	26.50	179777	876	5,674,127.00	23.05	-8.00
÷	March 2008	27.80	34.30	25.40	32.45	257664	1071	7,259,091.00	8.90	4.65
			to the second	. "		1131 Land				100







Registrar and Transfet Agents

M/s Alankit Assignments Limited are our Registrar and Share Transfer Agent. The address of our Registrar and Share Transfer agent is: M/s Alankit Assignments Ltd., 2E/21, Anarkali House, Jhandewalan Ext. New Delhi-110055. Phone No. (011) 51540060-64.

Share transfer System

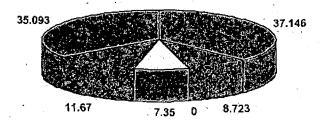
The Share Certificates sent for transfer are received at the Registered Office of the Company or its Registrar M/s Alankit Assignments Ltd.

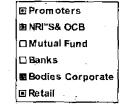
To look into the matter of share transfers, the Board has delegated the power to Mr. Narender Sharina-Manager Administration to attend and to look into the share transfer matters every fortnight. The Share Transfer Committee in its meeting held annually, considers and takes on record all the Transfers handled by Mr. Narender Sharma.

In compliance with the Listing Agreement, after every three months, the share transfer system is audited by a Practicing Company Secretary and a certificate to that effect is issued by him.

CATEGORY WISE DISTRIBUTION OF SHAREHOLDING AS ON 31.03,2008

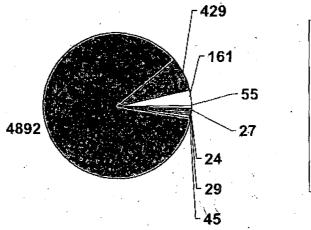
PARTICULARS	NO. OF SHARES	%AGE
Promoters	2600226	37.146
NRI & OCB	610617	8.723
Mutual Funds	nil	nil
Banks	514700	7.35
Bodies Corporate	817466	11.67
Retail	2456991	35.093





SHAREHOLDING DISTRIBUTION AS ON 31.03.2008

No. of Shares	No. of Shareholders	% of Total Holder	No. of Shares Held	Total
1 to 5000	4892	86.401	8165810	Equity 11.665
5001 to 10000	4892	7.577	3572360	5.103
10001 to 20000	161	2.844	2452690	3.504
20001 to 30000	55	0.971	1407940	2.011
30001 to 40000	27	0.477	977010	1.396
40001 to 50000	24	0.424	1163940	1.663
50001 to 100000	29	0.512	2130830	3.044
100001 to Above	45.	0.795	50129420	71.613



■ 0001-5000 ■ 5001-10000 □ 10001-20000 □ 20001-30000 ■ 30001-40000 ■ 40001-50000 ■ 50001-100000 □ 100001 and above

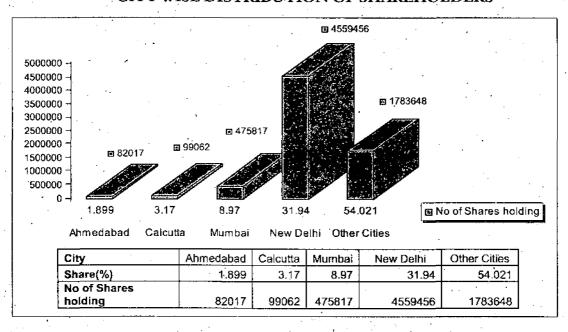
DETAILS OF SHARES IN DE-MAT AND PHYSICAL FORM

IN DEMAT FORM		6139641	
IN PHYSICAL FORM	1	860359	

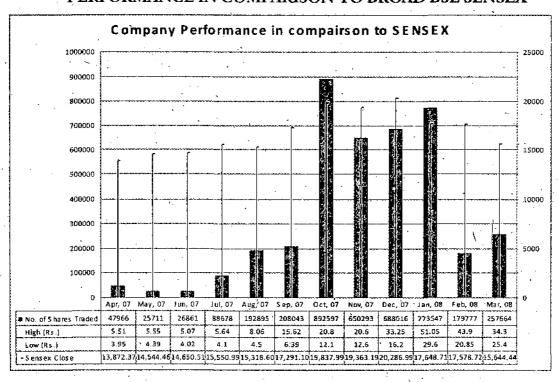




CITY WISE DISTRIBUTION OF SHAREHOLDERS



PERFORMANCE IN COMPARISON TO BROAD BSE SENSEX



AWA

DECLARATION FOR COMPLIANCE OF CODE OF CONDUCT

The Board of Directors and senior Management have affirmed compliance with code of conduct for the period ended 31.03.2008 and noted by the Board of Directors on $27^{\rm th}$ June 2008

For and on behalf of the Board of Directors

sd

L.C Goel Executive Director

ADDRESS FOR CORRESPONDENCE:

5, Sant Nagar, East of Kailash, New Delhi-110065 Website: www.iecgroup.in





AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To the Member of IEC Softwares Ltd

We have examined the compliance of conditions of Corporate Governance by IEC Softwares Ltd.for the year ended on 31st March, 2008, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchange of India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of 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 based on 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 Clause 49 of the above-mentioned Listing Agreement.

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

Place :- Delhi

For NATH & HARI Chartered Accountants

Date :- 27th June, 2008

Kailash Hari (Partner) M.No.- 82285

Management Discussion and Analysis Report

Disciaimer:

Readers are cautioned that this Management Discussion and Analysis contains forward-looking statements that involve risks and uncertainties. When used in this discussion, the words "anticipate", "believe", "estimate", "intend", "will", and "expected" and other similar expressions as they relate to the Company or its business are intended to identify such forward looking statements, whether as a result of new information, future events, or otherwise. Actual results, performances or achievements and risks and opportunities could differ materially from those expressed or implied in such forward-looking statements. The important factors that would make a difference to the Company's operations include economic conditions affecting demand supply and price conditions in the domestic and overseas markets, raw material prices, changes in the Governmental regulations, labour negotiations, tax laws and other statutes, economic development within India and the countries within which the Company conducts business and incidental factors. The Company undertakes no obligation to publicly amend, modify or revise any forward-looking statements on the basis, of any subsequent developments, information or events. The following discussion and analysis should be read in conjunction with the Company's financial statements included herein and the notes thereto. The information pertaining to industry structure, statistical data and other such information is sourced from CLSA Report, Indian Economic Survey, Reports of ASSOCHAM and other government websites and sources.

While the information in the IM has been prepared in good faith, it is not and does not purport to be comprehensive or to have been independently verified and neither the Company nor any of is officers, employees, advisers or consultants accept any liability or responsibility for the accuracy, reasonableness or completeness of, or for any errors, omissions or misstatements, negligent or otherwise, relating to, or makes any representation or warranty, express or implied, with respect to, the information contained in the IM or on which the IM is based or with respect to any written or oral information made or to e made available to any of the Investor or its professional advisers and, so far as permitted by law and except in the case of fraudulent misrepresentation by the party concerned, any liability therefore is hereby expressly disclaimed.

Management discussion and analysis

The management of IEC presents the analysis of the Company for the year 2007-08 and its outlook for the future. This outlook is based on assessment of the current business environment. It may vary due to future economic and other developments, both in India and abroad.

1.00 INDUSTRY STRUCTURE AND DEVELOPMENT

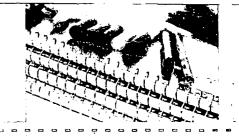
Education forms the backboile of a nation and is one of the most important key indicators of a country's growth and development. In fact, the rise of knowledge economy at a global level has once again reinforced education, in all its forms (elementary, secondary, higher, vocational, and adult), as the key economic and business driver.

In the past, government was the sole education provider as it was primarily considered a social service. However, with liberalisation and globalisation of economy, it has become evident in the last decade or so that government alone cannot bear the cost of the education sector. While the private sector has stepped in to fill the gap and has increasingly enhanced its profile in education over the last decade, its role is still not properly defined.

The education sector - once seen as the exclusive obligation of the government and NGOs - now presents opportunities for research and private investment.

When the Economy is growing at about 9%, the country has started experiencing a much larger gap between the demand for skilled labour and the supply of it. It was on an unprecedented scale. Initially, there were very few opportunities for skilled labour. But today the





opportunities are multiplying beyond limit. The role of agriculture in the national Economy in terms of its contribution to GDP is declining fast, being growing at 3.6 per cent and the contribution of the industry, particularly the services sector, is increasing, at a rate of 10.3 %. Now, as the role of services sector is predominant, the question of shortage of skilled labour, therefore, arises. That is why with a sense of urgency, the government has initiated the national skill development mission, which the Prime Minister announced. The Planning Commission and the ministry of labour have been doing intensive exercise as to how this mission could be brought into existence and the skill deficit could be mitigated.

Till now the larger avenues for development of skills were made available by the government mainly through ITIs and ICTs. These ITIs and ICTs could not do what they were expected to do largely because interaction between the state sector and the private industrial houses were virtually minimal.

Despite all possible efforts and initiatives by the central government to promote spread of higher education in India, the percentage of its GDP pending on higher education in the last couple of years has remained stagnant at around 0.37% against 1.41%, 1.07% and 0.50% of US, UK and China respectively. (Assocham)

In the new mission, a prominent role is being assigned to the corporate sector precisely because the corporate houses, people in the services sector and industry have first-hand information as to where the jobs are likely to emerge and where there is a skill deficit.

The private sector will be involved in every stage of the mission, particularly, in designing the process and supplying the faculty.

It is proposed to set up 50 skill development centres in the country. The thrust will be both in the manufacturing and services sectors. Some of these centres will be owned and managed by the state with academic and intellectual inputs from the private sector. Second, the state and the private sector will co-own the centres but the larger say in the management like running and designing will be with the private sector. The third will be exclusively with the private sector. This three-tier model was never implemented in India

The private sector's involvement is important because resources of the state are limited and there are competing wants. The earlier initiatives for skill development failed to achieve much as the private sector had not come forward sufficiently to upgrade and enhance the skill component till they started to feel the scarcity.

The Union Government has formally come out in favour of greater foreign direct investment (FDI) in higher education, as can be seen in the Foreign Education Providers Regulation Bill. In fact there are fervor statements in favour of private participation in education. The National Knowledge Commission (NKC), in its recommendations, says that it is necessary to stimulate private investment and has recommended Commission has suggested an independent regulatory authority for the higher education sector.

2.00 OPPORTUNITIES LYING AHEAD AND OUR OUTLOOK

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 fastst growing. Knowledge has replaced capital as the most important determinant of development.

Shifting Determinants of Development

Manufacturing

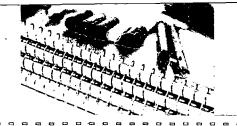
→ Services

Capital Resources → Knowledge Resources

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 potntials of information and information technology are fully understood and exploited.

Growing at a 16% Cagr, we estimate opportunities in India's private-sector education market could reach US\$68-70bn by 2012. Of this, about 11% is the increase in volume and penetration of education and training offerings, while we have assumed 5% price inflation. By 2012, we expect K-12 to become a US\$29bn market (13-14% Cagr), tutoring US\$9bn (16% Cagr) and private professional colleges US\$12bn (17% Cagr). Preschools and vocational training would also achieve meaningful scale.

India's education space is evolving and new niches have emerged in the past few years. For example, vocational training, finishing schools, child-skill enhancement and e-learning are all recent phenomena. Market contours are very likely to change over the next five years - our analysis is by no means exhaustive. We see growth driven by the increasing propensity of the middleclass to spend on education and more aggressive initiatives by private entrepreneurs. The following assumptions are being made for 2012:



- Some 40% of urban children will be in some form of pre-schooling, up from 11.5% currently.
- It is expected a total of 90,000 private K-12 schools by 2012, up from about 75,000 currently.
- Tuition fees will trend upwards. In 2005, only 15,000 (private) schools in the private sector had fees of more than Rs1,250 a month. We expect 35,000 such schools by 2012, as fees rise in the Rs700-1,000pm segment.
- Demand for test preparation will likely continue at a 15% Cagr.
- It is expected that 800 more private engineering colleges to open by 2012, 60 medical colleges and 300 MBA colleges. However, recent government statements indicate 400+ new engineering college applications and 100+ approvals to date for the current fiscal year. There is upside risk to our assumptions given this trend of new applications.
- For tutoring, it is assumed that 25% of children in Grades 5-8 and 66% in Grades 9-12 will use some form of out-of-the-school tutoring by 2012, up from 15% and 40% respectively as of now.
- For vocational training, the annual growth of the recruiter businesses have been reduced to about 20% annually, though from a
 large base. In 2012, 1.2m youths are expected to be candidates for some form of skill/vocational training, from 0.5-0.6m
 currently.

Following factors has made this sector a lucrative one:-

- Various education markets with Multi crores dollars potential.
- Less number of players in the market.
- Unparalleled growth of economy leading to opening up of new foray of educational services.
- Increasing awareness of Indian population towards education
- · Rise in Middle Class Standard of Living

Pre-Schooling

Preschool, kindergarten, and elementary school teachers play a vital role in the development of children. What children learn and experience during their early years can shape their views of themselves and the world and can affect their later success or failure in school, work, and their personal lives.

At present out of total urban target base of 19m children, 2-2.5% are enrolled. The market is extremely fragmented, with largest chain comprising just 550 schools, less than 4% of the total market potential for 15000 pre schools in India.

Outlook .

IEC Group strives to capture this untapped potential of the Pre[]school market.

The proposed IEC Preschools would endeavor to focus on all facets of child development including Linguistic, Physical, Cognitive, Socio-emotional and creative areas and thus providing every child a strong base to face the outer world.

Schooling (K12):

Sum of primary and secondary education i.e. from Kindergarten to Grade 12 is estimated to be at US \$ 20bn and thus considered to be as one of the largest segments of the total private education market. According to a market survey it is found that there is 14% growth in this segment and their would going be 90000 more K 12 schools in 2012 as compared to 75000 in 2008.

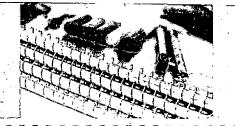
Kindergarten to Grade 12(K12) is India's Core Education sector and failure of public education system to provide Higher Quality Education to together with hih propensity within India's middle class to spend on education, results in shortage of quality private schools relative to its demand.

Outlook

Moving by the objective, "No Child left Behind" IEC Software Ltd is now ready to bear the responsibility of providing quality education to every single child from Kindergarte to Post Graduation (K.G to P.G).

For this purpose, IEC has come out with a detailed analysis of potential available in K-12 industry. This analysis shows that, Indian K-12 Education industry has a huge market potential of US\$20bn as charted below:





Our plan of Action:

IEC endeavors to partner with Government in order to fill this gap and moving ahead to set up primary and senior secondary schools at the length and Breath of India. In its attempt, it honestly strives to provide education meeting with highest standards of quality, which aims at overall development of children and building their strong foundation to help them face challenges posed by the global competition.

At present IEC, has identified seven locations in Northern. India to implant its dream of nurturing millions of children in their state of the art IEC International SCHOOLS, transcending all demographic

Boundaries across the globe. Some of the IEC INTERNATIONAL SCHOOLS are Owned, Built, operated by IEC Group and some are in Public Private Partnership with various State Governments.

Professional courses/Private Colleges

After K-12 segment, Private Engineering Colleges form the single biggest category in Indian Education. At present there are more than 1200 private Engineering Colleges, 300 Business schools and more than 140 Medical Colleges in India, representing a US \$ 7 bn market. And its is expected that by 2012 there would be more than 800 private engineering colleges, 60 medical colleges and 300 MBA colleges are expected.

There are more than 1,200 private engineering colleges, 300 business schools and more than 140 private medical colleges in India. These represent a US\$7bn market, with engineering taking the major share at US\$5.85bn (or 83% of the total). After K-12, private professional colleges form the single biggest category in Indian education. This industry has a growth potential of potential 16% five year CAGR.

Alongwith professional institutions, institutions providing vocational training arc not far behind among various segments of education industry evolving in the present Indian scenario. Vocational training includes staff training for airlines, retail chains, hotels, financial services and basic skills such as English improvement. There is significant private[]sector involvement in this area, and we estimate the market to be worth nearly US\$1.4bn a year. In this industry, growth areas are staff training in financial services, training in retail, and improving English language skills.

IEC is also partnering various state Governments to establish, run, manage various Degree Colleges across the nation, under Public Private Partnership.

Recently IEC has got approval of running Institute of Hospitality Management at Sector 62 Greater Noida

Also recently Vocational Education Foundation campus has been selected by IGNOU as one of its centre for imparting B.A. International Hospitality Administration.

Distance Learning Programmes

Recent developments in Information Technology (IT) and the commercialization of the Internet have generated new opportunities for the delivery of education and allowed many highir-education institutions to bring their resources closer to a broad base of potential users. Distance learning programmes have shown tremendous growth during the last few decades due to its unique feature of being and user's friendly system. It has three advantages increased access, better learning and inexpensive. Moreover innovation in ICT and the need for quality education have increased pressure on DLPs.

Distance learning Programmes helps in strengthening and diversifying Degrees, diplomas, and other certificate programmes and providing opportunities for higher education to a larger cross-section.

IEC trying to tie up with IGNOU for various Distance Learning Programmes

Test preparation & Skill Development

Test preparation industry has grown out of few attractiveness of a selected few careersengineering, medicine, civil services and

business management. Nearly 400,000 students took the IIT-Joint Entrance Examination (for the four year engineering course offered by the Indian Institutes of Technology, IITs) last year, and another 230,000 took the IIM Common Admission. Test for MBAs (two year MBA programme at the Indian Institutes of Management, IIMs). India's test preparation market, or test prep, is the most visible poster child of private participation in education. The attractiveness of a selected few careers engineering, medicine, civil services and business management has ensured disproportionate spending by India's middle class on test prep. We estimate this market to be worth more than US\$1.7bn, based on an approximate annual 2.1m students taking one of the professional entrance tests. About 1.6m of these, or 75%, pay for some form of test preparation.

The opportunities in the underlying Ventures:

- Engineering test preparation
- UPSC (Indian Civil Service) test preparation
- MBA test preparation
- Medical test preparation
- GRE/GMAT/SAT test preparation

IEC is exploring the organic as well as inorganic initiatives. In the process the Company is in the process of merging of VEF Information Systems Private Ltd with IEC, which is engaged in providing various, educational and support services to certain private educational institutes in North India. Also it is looking forward to the possible opportunities of opening up of its own centres and outside acquisitions.

Teacher training/Faculty Development Institutes:

Teacher training is another developing segment in the Indian Education Industry. However, this segment is yet in an initial-stage of development. The teacher training market, despite the obvious lack of trained teachers in India, is only about US\$15m annually. This is due to low spending propensity among school management. With the average private school teacher's base pay being Rs 10,000-12,000 per month, management are unwilling to pay more than Rs 1,000 for teacher training per head. In public schools, 97% of government budgetary outlay for education has been going into salaries, leaving little surplus for activities such-as teacher-training.

But, in pursuance of its mission to make provision for best quality education in India, IEC has planned to exploit this potential market of US\$ 15m as this industry still faces less competition as compared to other segments of education industry.

IEC has proposed to execute the concept of teacher training through establishment of Faculty development institutes. Faculty Development programmes introduces new faculty to the benefits and resources available. Faculty Development Bureau of AICTE geared to ensure the quality relevance, excellence and equity in Technical education through the teachers of technical education. The objective envisaged are to support programmes aimed at promoting quality of Teachers; to promote programmes that facilitates career and faculty development ito provide opportunities for the upgradation of knowledge and skills of teachers of technical education and working professionals; to encourage research and development:

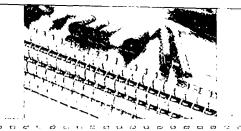
IEC-FDI, at its various Faculty Development Programmes would not only cater to its own faculty of IEC International Schools and IEC Chain of Colleges but to other outside agencies not only from Education Industry but from other Industries.

Aim of IEC-FDI, would be to provide participants an opportunity to refresh their knowledge related to management education and pedagogy with the latest academic practices in the field and self development.

With a large number of employment opportunities available now for students even as they are completing their studies, several finishing schools are required to meet their need.

Finishing schools have a scope of improving the number of people who are "employable", of helping them find appropriate employment and also enabling them so up the career path easily.





Further, the Finishing schools provide technical training, which can be outside the regular syllabus, according to the needs of the industry. These schools help candidates meet the needs of the industry and the candidates are trained in a "near-industry environment".

Apart from technical abilities, personality development, communication skills and career focus are the other areas covered in these schools

Target audiences are need to be trained to have a hassle-free ride up in their career ladder and the knowledge should come when they start their career and finishing schools provide these skills.

The academy-industry relations or partnership have yet to blossom in this country, the way they have in more developed economies.

Most of the larger IT companies have their own training centres to provide the basic hands on skill in their domain to these raw recruits. But the smaller and medium scale companies have not been able to afford such a luxury. And it is perhaps they who need such finishing schools to get more readily employable candidates.

IEC Group is adding another feather in its cap by setting up of Finishing Schools to balance out the huge deficit in terms of industry demand. IEC is also tying up with various universities to create master trainers. It has already started its FDI at sector 62 Noida.

Public Private Partnerships

New initiatives are rising across the gamut of public/private partnerships (or PPP), with ICT (Information & Communications Technology) at schools an early success story. Policy planners are beginning to emphasise and we think this could create revenue-generating models for the private sector. We see numerous opportunities, including:

- Relocate or build new schools, colleges, universities or job centres and Provide facilities management for the new buildings/campuses. Projects might involve land swaps or enable the private sector provider to generate a third party revenue stream from the extant infrastructure.
- Build facilities for education institutions with the potential for third-party income generation, such as sports or academic/conference facilities.
- Refurbish existing assets and/or provide facilities management.
- Provide information systems that ensure the continued availability of hardware and software over a period of time, or allocate to the private sector some administrative functions. There may be opportunities for third-party income generation by selling excess capacity. Institutions have varying requirements and the private sector may be able to offer innovative solutions that offer quality services and value for money.

IEC is exploring opportunities with various state governments to open schools, colleges, ITSs under Public Private Partnership.

Private-equity money flowing into education

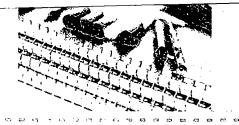
There have been at least nine private-equity deals in education in the past 12 months, with total investment of more than US\$90m, compared with three deals in the whole of 2006 and investment of US\$17.5m. Capital market's involvement in education is to increase as opportunity and growth are better understood. Some consolidation is expected, with the emergence of organized chains or national-level players, in test preparation, tutoring, private professional colleges and K-12 school management.

Segment Wise Performance

Segments:

1. ICT (Information and Communication Technology) Solutions :

The business, called ICT (Information and Communication Technology), is tender based and functions under the build/own/operate/transfer (BOOT) model. During the period from 1995 to 2002, the Company had actively participated in the Tenders relating to ICT projects and had bagged some of the prestigious contracts by outbidding its competitors of that time NIIT, Aptech, STG, Educomp etc.



2. Development of Educational Infrastructure:

Since its commencement of business in 1995, IEC has undertaken the systematic development of educational infrastructure all over the country by setting up schools and colleges in collaboration with Education Societies/Trusts and on public Private partnerships with Government. Now, IEC is planning to expand its colleges and institutions in national as well as overseas market by setting up Schools/Institutions of higher learning in Overseas.

3. Consultancy:

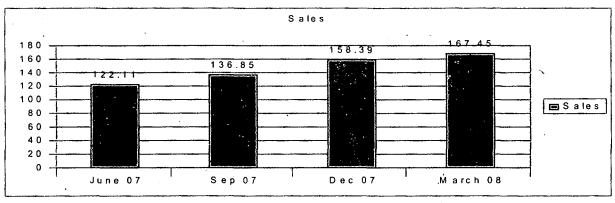
IEC as part of its business activities has been involved in providing IT consultancy to various government departments and business houses.

PERFORMANCE: Fiscal 2007compared to Fiscal 2008(Quarter wise)

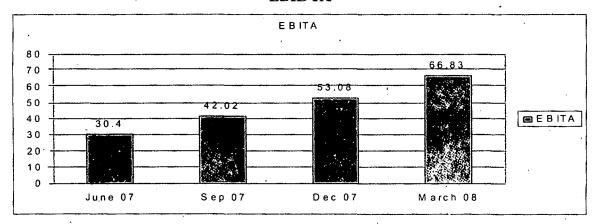
The company has performed consistently well during the period April 2007-March 2008. The Net sales/Income from Operations rose steadily from Rs. 122.11 lacs in the first quarter to reach Rs. 167.45 lacs in the fourth quarter ended March 2008.

The EBIDTA also improved from Rs.30.4 lacs in the first quarter to Rs.66.83 in the fourth quarter ended March 2008. The Profit After Tax improved substantially from Rs.8.14 lacs to Rs.50.9 lacs with EPS rising to Rs.0.73 per share from Rs.0.12 per share in the first quarter.

NET SALES/INCOME FROM OPERATIONS



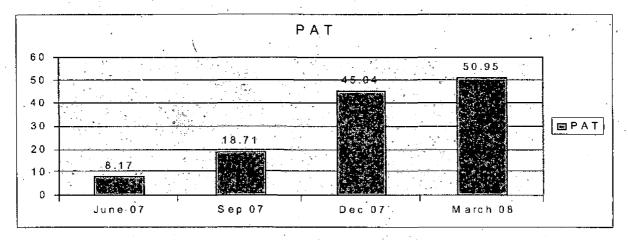
EBIDTA



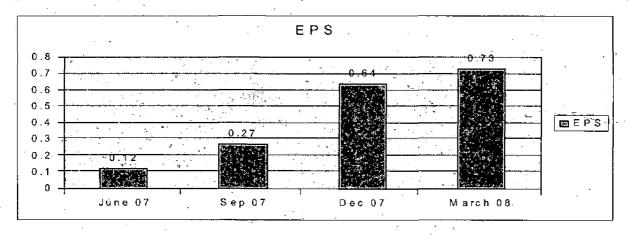


SOFTWARES LTD

PROFIT AFTER TAX



EARNING PER SHARE



Concerns

Regulatory framework- India's education Sector is one of the last theaters for the liberalization debate. Planners and educationalists are confronted with the failure of public initiatives to achieve universal Coverage.

Change is coming, albeit slowly. There is greater private participation in the provision of higher education, which should spread through all levels of education. There is an urgent need for greater clarity of regulation, which would reduce the need-for current complicated structures of ownership and encourage greater public-private participation in this vital sector.

SWOT ANALYSIS

- Strong Promoters' Background with rich experience in field of education.
- Independent and well-qualified Board
- Foray of best quality educational services

Strengths

Weakness

Limited Funds

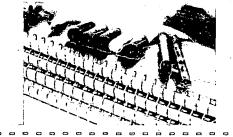
Opportunity

- Various education markets with Multi crores dollars potential
- Less number of players in the market.
- Unparalleled growth of economy leading to opening up of new foray of educational services.
- Increasing awareness of Indian population towards education
- Rise in Middle Glass Standard of Living

Threat

- . Regulatory framework
- Unorganized sector with regional content and a large number of regional players.
- The segment is largely dependent on government.
- Increasing trend of preference to study in abroad





Corporate Social Responsibility and IEC: Blending business with social commitment

VEF stands for service to the Nation and Humanity through Education

We believe that corporate social responsibility is an integral part of an organization's overall commitment to society. Through the years, our society-conscious activities have reflected the company's philosophy: giving back something to society of which we are a part.

IEC is committed to operating with a strong sense of integrity to protect and support its people, the environment and the communities that it works within. We are an enthusiastic supporter of community, voluntary and charitable endeavours which complement our business aims and those of our customers.

A Matter of great significance is that, whilst IEC takes pride to be amongst the top corporates in the country, naturally there comes a responsibility for a social cause. Hence, the offshoot of IEC- the Vocational Education foundation (VEF). The establishment of the IEC College of Engineering & Technology a couple of years back is one of the finest examples of VEF's philanthropic endeavours for that social cause and turning its dreams into a dynamic identity.

Human Resources -

Human Resources are highly valued asset at IEC Softwares Ltd. The Company seeks to attract, retain and nurture technical and managerial talent across its operations and continues to create, sustain the environment that brings out the best in our people with emphasis on learning, training and development and career progression. With its proposed expansion activities it will become imperative for the Company to include fresh talent in commensurate with its growth. Performance is recognized and rewarded through up upgradation and job enrichment, performance incentives. There are 30 employees in the Company and on account of large scale expansion the employee strength would increase to 100 by the end of current financial year.

Internal Control Systems and Its Adequacy

The philosophy of the Company with regard to internal control systems and their adequacy has been formulation of effective systems and their implementation to ensure that assets and interests of the Company are safeguarded with required checks and balances in place to determine the accuracy and reliability of accounting data.

Internal Control ensures that systems are designed and implemented in a manner commensurate with the size and operations; transactions are executed in accordance with the Company's policies and authorizations.

There are well-established procedures for Internal Controls for operations of the Company and its subsidiaries. The finance and internal audit functions are well equipped with professionally experienced qualified personnel and play important roles in implementing and monitoring the statutory and internal control environment. The Company has also constituted audit committee for guidance and proper control of the affairs of the Company.

The meetings of the Audit Committee are held periodically to review and recommend, inter alia, the quarterly, half yearly and annual financial statements of the Company. The committee also holds discussions with Company's statutory Auditors and the Management on matters pertaining to internal controls, auditing and financial reporting. The Committee reviews with the Statutory Auditors the scope and results of the audits.



AUDITOR'S REPORT

To
The Members of
IEC Softwares Limited

- 1) We have audited the attached Balance Sheet of IEC Softwares Limited as at 31" March, 2008, the Profit & Loss Account and also 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 the 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 presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government 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 paragraph 4 and 5 of the said order.
- 4) Further to our comments in the Annexure referred to in paragraph 3 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 purpose of our audit.
 - (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 such books.
 - (c) The Balance Sheet, Profit & Loss Account and Cash flow Statement dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, Profit & Loss Accounts 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 as on 31ⁿ March, 2008 and taken on record by the Board of Directors, we report that the none of the Directors is disqualified as on 31ⁿ March, 2008 from being appointed as a director of the Company in terms of clause (g) of sub-section (I) 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 account subject to:
 - (i) Note No: 4 of Schedule 20 regarding non registration of title deeds in respect of one premise;
 - (ii) Note No: 5 of Schedule 20 regarding adjustments of entries arising out of confirmation / reconciliation of the accounts of parties and banks;
 - and read together with the notes and the significant accounting policies thereon, 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 31" March, 2008.
 - II. In the case of the Profit & Loss Account, of the Profit for the year ended on that date; and
 - III. In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Place :- Delhi

For NATH & HARI Chartered Accountants

Date :- 27th June, 2008

Kailash Hari (Partner) M.No.- 82285





ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 3 of our report of even date on the accounts of IEC Softwares Limited for the year ended 31" March, 2008)

- In respect of its fixed assets:
 - The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) The management has carried out a physical verification of most of its fixed assets as per the regular programme of verification which in our opinion is reasonable having regards to the size of the company and nature of its assets. We are informed that no material discrepancies were noticed on such verification.
 - c) In our opinion and according to the information and explanation given to us, a substantial part of fixed assets has not been disposed of by the company during the year.
- II. The nature of the company's business/activities during the year have been such that clause (ii) of paragraph 4 is not Applicable to the company for the year.
- III. The Company has taken loans aggregating to Rs.2,57,23,578.64 During the current year from Five Parties covered in the register maintained under section 301 of the Companies Act, 1956 and repaid loans aggregating to Rs. 2,18,10,000.00 during the current year to Five parties covered in the register maintained under section 301 of the Companies Act, 1956. The company had taken the loan in the earlier years aggregating to Rs 36, 48,170.24 from four parties covered in the register maintained under section 301 of the Companies Act, 1956. The year end balances of loan taken from such parties were Rs.75,74,560.36. In our opinion, where the Company has granted unsecured loans to companies listed in the register maintained under Section 301 of the Companies Act, 1956 the terms and conditions of such loan are prima facie prejudicial to the interest of the company to the extent of interest not charged.
- IV In our opinion and according to the information and explanations given to us, there are generally adequate internal control procedures commensurate with the size of the Company and nature of its business with regards to purchase of components, plant and machinery, equipments and similar assets and also for training and education Services rendered.
- V. In our opinion and according to the information and explanation given to us, the Company has not entered into any Contract or arrangement in excess of Rs.500000/- with other parties, which needs to be entered in the register maintained under section 301 of the Companies Act, 1956.
- VI. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provision of section 58A and 58 AA of the Companies Act, 1956 and the rules framed hercunder, are not applicable to the Company.
- VII. In our opinion, the Company's present internal audit system is commensurate with the size and nature of its business.
- VIII. Since the Company is not a manufacturing, mining or processing industry, the Central Government has not prescribed the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956.
- IX. According to the information and explanation given to us and the records of the Company examined by us, in our opinion the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees state insurance, sales Tax, wealth Tax, custom duty, excise duty and cess and any other statutory dues applicable to it, with the appropriate authorities during the year except TDS of Rs.1,83,751.93.
- X. The accumulated losses as at 31° March, 2008 are more than fifty percent of its net worth and the Company has not incurred cash losses during the current financial year and in the immediately preceding financial year.
- XI. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions or bank during the year.



- XII. According to the information and explanation given to us and based on the documents and records produced to us, the company has not granted loans and the advances on the basis of security by way of pledge of shares, debentures and other securities.
- XIII. In our opinion, the company is not a Chit Fund or Nidhi/Mutual benefit fund/ society. Therefore the provision of clauses 4 (xiii) are not applicable to the Company.
- XIV. In our opinion, the Company is not dealing in or trading in share, securities, debentures and other Investments. Accordingly, the provisions of clause 4 (xiv) are not applicable to the Company.
- XV. According to the information and explanation given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions during the year.
- XVI. According to the information and explanation given to us, no term loan has been raised during the year.
- XVII. According to information and explanation given to us and on an overall examination of Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long-term investment and no long term funds have been prime facie used to finance short term assets.
- XVIII. The Company has not made any allotments of share during the year hence the provision of clause 4 (xviii) are not applicable to the Company.
- XIX. The Company has not raised any loan during the year through issue of debentures; hence the provisions of clause 4 (xix) are not applicable to the Company.
- XX. The Company has not raised any money through a public issue during the year, hence the provisions of clause 4 (xx) are not applicable to the Company.
- XXI. Based upon the audit procedures performed and the information and explanation given to us by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

Place :- Delhi

For NATH & HARI Chartered Accountants

Date :- 27th June, 2008

Kailash Hari (Partner) M.No.- 82285





BALANCE SHEET AS AT 31st MARCH'2008

	e e e e		CHARLES THE REST OF THE ACT		management and interest and interest
* * * * * * * * * * * * * * * * * * *	Maph	LE CONTRACT	ASAI	Bear 14	JOAS AT
			161 MYTATIZOOS 1006 N		11stMARCH/2007
SOURCES OF FUNDS			(Non)		
Shareholders Fund	1				
Share Capital	1	70000000.00		70000000.00	· i
Reserves & Surplus	2	187325615.00	257325615.00	187325615.00	257325615.00
Loan Funds	۷,	107 3230 13.00	257 5250 15.00	107 3230 13.00	237 3230 13.00
Secured Loans	. 3	241181.96		241181.96	*
Unsecured Loans	4	24380341.45	24621523.41	21598504.93	21839686.89
Onscouled Estatis	7.	24000041.40	24021020.41	2,000004.00	21000000.00
TOTAL (RS.)		-	281947138.41		279165301.89
		· <u>-</u>		• =	
APPLICATION OF FUNDS		i			ļ
Fixed Assets	5				•
Gross Block		97312170.39		96462552.89	
Less:-Depreciation		39825976.54	l	33111233.30	
Net Block			57486193.85	,	63351319,59
Investment	6		3520024.90	•	2500024.90
Deferred Tax Assets (Net)		,	1217300.00		2840689.00
(Refer Note No.10 of Schedule 20)					
Current Assets, Loans & Advances					
Sundry Debtors	7	61524107.73		43187229.47	
Cash & Bank Balances	8	36764347.88		7815485.74	.].
Loans & Advances	9	55135905.97		28614130.81	
		153424361.58		79616846.02	1
Less:-Current Liabilities & Provisions			i		ł
Current Liabilities	10	75021473.83		21851470.60	
Provisions	11	213940.00		241647.00	
		75235413.83		22093117.60	ļ.
Net Current Assets		:	78188947.75		57523728.42
Miscellaneous Expenditure	12		270864.00	•	569170.21
Profit & Loss Account			141263807.91		152380369.77
			281947138.41	-	279165301.89

Accounting Policies and Notes on Accounts

As per our report of even date

For Nath & Hari Chartered Accountants

(Kailash Hari) Partner

Place:- Delhi. Date:- 27th June ,2008

For and on Behalf of the Board

Brig. S.V.S Chowdhry (Chairman) L.C Goel (Executive Director) R.L.Gupta (Director) Kailash Nath (Director) Sarabjit Singh Saini (Director) Rasik Makkar (Director)

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H.R Issarini (Director)
A.K Khare (Director)
J.K Bhola (Director)
Shweta Dixit (Company Secretary)
Ashutosh Kr.Jha (Accounts Manager)

H.P Singh (Director)



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH'2008.

INCOME	*SCHOOLS	RAEN IKERRUS TRUDOKA (ROS))	A (Keja)
Income from Operation	13.	57564229.00	42009215.75
Other Income	-14	1422141.33	1046501.92
	•	58986370.33	43055717.67
EXPENDITURE			
Training & Education Expenses	15	32170220.40	29120695.75
Personnel Expenses	16	1237621.00	936143.00
Administrative & Other Expenses	17	3123352.50	3979012.37
Interest & Finance Charges	18	1546382.45	3071876.75
Depreciation	5	7520266.91	8333807.69
Miscellaneous Expenditure Written Off	19	636886.21	659066.11
		46234729.47	46100601.67
Profit/(Loss) before Taxes Provision for Tax		12751640.86	(3044884.00)
- Fringe Benefit Tax	·	(11690.00)	(35018.00)
- Current Tax		- 0.00	` 0.0ó
-Deferred Tax		1623389.00	1667507.00
Profit/(Loss) after Tax		11116561.86	(1412395.00)
Balance Profit/(loss) brought forward from Previous year		(152380369.77)	(150967974.77)
Balance Profit/(Loss) carried to Balance Sheet		(141263807.91)	(152380369.77)
Basic and diluted earning per share(in Rs.)		1.59	-0.20
(refer note No.16 of schedule-20) Accounting Policies and Notes on Accounts	20 ·		

As per our report of even date

For and on Behalf of the Board

For Nath & Hari Chartered Accountants

(Kailash Hari)

Brig. S.V.S Chowdhry (Chairman) L.C Goel (Executive Director) R.L.Gupta (Director) Kailash Nath (Director) Sarabjit Singh Saini (Director) Rasik Makkar (Director) H.P Singh (Director)
H.R Issarini (Director)
A.K Khare (Director)
J.K Bhola (Director)
Shweta Dixit (Company Secretary)
Ashutosh Kr.Jha (Accounts Manager)

Place:- Delhi.

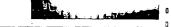
Date: - 27th June, 2008





SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH'2008

	AS ŽŪP 31st MARCH 2003 2 , 31 (RŠ.)	AS AT. SUMARCH 2007 (RSI)
SCHEDULE '1'		And the second s
SHARE CAPITAL		
Authorised		
2,00,00,000 Equity Shares of Rs.10/- each	20000000.00	200000000.00
Issued subscribed & Paid up		
70,00,000 Equity Shares of Rs.10/- each fully paid	d 7000000:00	70000000.00
	7000000.00	. 7000000.00
SCHEDULE '2"		
RESERVES & SURPLUS		
Capital Reserve		•
As per last Balance Sheet	5282000.00	5282000.00
Share Premium	140994000. 00 ^{\(\right)}	140994000.00
General Reserve	7	
As per last Balance Sheet	41049615.00	41049615.00
	187325615.00	187325615.00
SCHEDULE '3'	•	
SECURED LOANS From Bank:-	,	
Short Term Loan		
Term Loan (Hyp.of Computers)	241181.96	241181.96
, , , , , , , , , , , , , , , , , , , ,		
	241181.96	241181.96
SCHEDULE '4'	-	
Unsecured Loans		
From Directors	80032.00	1030032.00
From Others	24300309.45	20568472.93
	24380341.45	21598504.93



FIXED ASSETS										
DESCRIPTION	GROSS BLOCK	Addition	Deduction	As at	Up to	DEPRECIA [*] For the	FION AND AMO	RTIZATION Up to	NET BL	-OCK As at
	1.4.2007			31.3.2008	31.3.2007	Year	Adjustment	31.03.2008	31.03.2008	31-3-2007
Goodwill	1000000.00	. 0.00	0.00	1000000.00	1000000.00	0.00	0.00	1000000.00	0.00	0.00
LandLeasehold	5001390.00	0.00	0.00	5001390.00	0.00	0.00	0.00	0.00	5001390.00	5001390.00
Building	31912582.00	3559513.00	6200000.00	29272095.00	3025495.76	528675.42	805523.67	2748647.51	26523447.49	28887086.24
Plant & Machinery	3 64345 39.66	238313.00	0.00	36672852.66	21092593.01	5653804.28	0.00	26746397.29	9926455.37	15341946.65
Office Equipment	5397022.00	0.00	0.00	5397022.00	1663315.41	256358.55	0.00	1919673.96	3477348.04	3733706.59
Furniture & Fixtures	16717019.23	3251791.50	0.00	19968810.73	6329829.12	1081428.66	0.00 0.00	7411257.78	12557552.95	10387190.11
TOTAL	96462552.89	7049617.50	6200000.00	97312170.39	33111233.30	7520266.91	805523.67	39825976.54	57486193.85	63351319.59

PreviousYear	134477631.83	2484727.00	40499805.94	96462552.89	59158342.18	8333807.69	34380916.57	33111233.30	63351319.59	75319289.65
. ictious icu.										

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	AS AT 31st MARCH 2008 3 (RS)	AS AT St MARCH:2007 (RS.)
SCHEDULE '6'	•	
		•
INVESTMENTS		
(Non-Trade and long Term) at Cost		
Unquoted (Fully paid up Equity Shares)		*
in Subsidiary Companies	0500000 00	0500000 00
2,50,000 Equity Shares of Rs.10/- each of IEC leasing & Capital Mgt Ltd	2500000.00	. 2500000,00
IEC Infotech SDN. BHD.	04.00	04.00
2 Shares of Malaysian Ringetts one each(Rs.value 12.45/- per Ringett)	24.90	24.90
51,000 Equity Share of Rs.10/- each of IEC learning & Management Ltd.	510000.00	0.00
51,000 Equity Share of Rs.10/- each of IEC Education & Infrastructure Ltd.	510000.00	. 0.00
-		
_	3520024.90	2500024.90
SCHEDULE '7'		
SUNDRY DEBTORS		
(Unsecured,Considered Good)		
Debt outstanding for a period exceeding six months	39843741.61	27535103.85
Other Debts	21680366.12	15652125.62
	61524107.73	43187229.47
SCHEDULE '8'		
CASH & BANK BALANCES		
Cash in Hand	198959.54	51650.70
Balance with Scheduled Banks	100000.54	01000.70
on Current Account	28013846.27	1311233.62
on current Account	20010040.21	1311233.02
Fixed Deposit(including Margin Money of Rs.61,51,542.07/-(previous year Rs.64,52,601.42/-)	8551542.07	6452601.42
Pixed Depositificating Walgin Worley of NS.01,31,342.077-(previous year NS.04,32,001.422-)	36764347.88	7815485.74
•	30704347.00	7010403.74
CCHEDIII E '0'		
SCHEDULE '9'		
LOANS & ADVANCES		
Advances Recoverable in Cash or in kind		
or for value to be received	27223326.12	21007775.23
Security & Deposits with others	26063158.61	6065689.34
Advance Income Tax & TDS	1849421.24	1540666.24
_	55135905.97	28614130.81
SCHEDULE '10'	,	
CURRENT LIABILITIES		
Sundry Creditors		
1) Due to Small Scale Industrial Undertaking	0.00	0.00
2) Others	3149186.40	3079637.90
Other Liabilities	1480016.43	18679561.61
Investor education & protection fund.	92271.00	92271.00
Advanced received towards issue of convertible warrants	70300000.00	0.00
-	75021473.83	21851470.51

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IEC SOFTWARES LTD.

	AS AT 31st MARCH2003 ([FS))	AS AT THE MARCH2007 (IXS.)
SCHEDULE '11'		
PROVISIONS		
For Taxation	0.00	0.00
For Retirement Benefits	202250.00	206629.00
For Fringe Benefit Tax	11690.00	35018.00
·	213940.00	241647.00
SCHEDULE '12'		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
,		•
Share issue Expenses	0.00	569171.21
Deferred Revenue Expenditure	270864.00	0.00
•	270864.00	569171.21

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH'2008.

	CURRENT YEAR	PREVIOUS YEAR
SCHEDULE '13'	CORRENT TEAR	FREVIOUS TEAR
INCOME FROM OPERATION	•	
Franchise Royalty	4983545.00	5168627.00
Training & Education Income	52580684.00	36840588.75
Training & Eddcation income	57564229.00	42009215.75
COULDING NAT	37304229.00	42009213.75
SCHEDULE '14'	•	
OTHER INCOME		
Interest	465645.65	467874.92
Miscellaneous Income	956495.68	578627.00
_	1422141.33	1046501.92
SCHEDULE '15'	•	
TRAINING & EDUCATION EXPENSES	<u> </u>	
Consultancy Charges	31506.50	18400.00
Courseware & manuals	1538.00	1339.00
Course Execution Charges	30542780.90	27089391.75
Franchise Expenses	1594395.00	2011565.00
-	32170220.40	29120695.75





	CURRENT YEAR AMOUNT(RS.)	PREVIOUS YEAR AMOUNT(RS.)
SCHEDULE '16'		• • • • • • • • • • • • • • • • • • • •
PERSONNEL EXPENSES		
	1115710.00	000447-00
Salaries, Bonus. Gratuity & allowances	1145713.00	823447.00
Contribution to Providend Fund & Others Fund	59797.00	34422.00
Welfare Expenses	32111.00	78274.00
COUEDIU E 147!	1237621.00	936143.00
SCHEDULE '17'		
ADMINISTRATIVE & OTHER EXPENSES		
Rent,Rates & Taxes	206574.00	265439.00
Advertisement & Publicity	78118.00	72937.00
Printing & Stationery	266843.00	314055.00
Postage &Telephone	101588.00	160409.00
Legal & Professional	352652.00	190207.00
Repair & Maintenance-Plant & Machinery.	62800.00	1504931.00
Repair & Maintenance-Building	235951.00	132627.00
Repair & Maintenance-Others	21117.00	4166.00
Water & Electricity	70769.50	58502.00
Directors sitting Fee	50500.00	36750.00
Travelling & Conveyance	84716.00	355278.00
Auditors' Remuneration	226682.00	194897.00
Miscellaneous Expenses	351853.00	313730.00
Sanitation Watch & Ward	18035.00	14660.00
Income Tax	213053.00	0.00
Loss on Sale of Fixed Assets	349563.00	115504.37
Share Transfer Expenses	79461.00	75274.00
General Meetings	353077.00	169646.00
	3123352.50	3979012.37
SCHEDULE '18'		
INTEREST & FINANCE CHARGES		
Interest on Term Loan	0.00	1293944.88
Interest on others	1475755.96	1602422.62
Bank Charges	. 70626.49	175509.25
	1546382.45	3071876.75
SCHEDULE '19'		
MISCELLANEOUS EXPENDITURE WRITTEN OFF	•	
Public Issue expenses	569170.21	659066.11
Deferred Revenue Expenditure	67716.00	0.00
·	636886.21	659066.11



SCHEDULE '20'

NOTES TO THE ACCOUNTS

1. Significant Accounting Policies

a) System of Accounting:

The financial statements have been prepared and presented under the historical cost convention, on the accounting and on the accounting principles of a going concern and comply in all material respects with the mandatory Accounting Standards (AS), issued by the institute of Chartered Accountants of India and the relevant provisions of Companies Act, 1956.

b) Fixed Assets:

- 1) Fixed Assets are stated at cost less accumulated depreciation. Cost of acquisition or construction is inclusive of freight, duties, taxes and incidental expenses related to such acquisition or construction.
- 2) Goodwill is stated at cost less amortization.

c) Depreciation:

- 1) Depreciation on fixed assets is provided on the straight-line method at the rates and in the manner laid down in schedule XIV to the Companies Act, 1956.
- 2) Depreciation has been provided on pro-rata basis in respect of addition to/deletion from the fixed assets with reference to the date of addition/deletion of the assets.
- 3) Goodwill arising on acquisition of business unit is amortized over a period of ten years.

d) Investment:

Long-term investments are stated at cost of acquisition and related expenses. Provision is made to recognize a decline, other than temporary, in the value of investments.

e) Retirement Benefit:

Provision for gratuity is made, in the books of account as per the provisions of Payment of Gratuity Act, 1972 on the assumption that all the employees are entitled to gratuity at the end of the accounting year. Provision for leave encashment is provided for at the end of financial year on the basis of last month drawn salary of the employees.

f) Revenue Recognition:

The revenue in respect of sale of courseware is recognized on delivery of materials. The revenue from training and education activity is recognized over the period of the course program. In respect of software and consultancy activities, the revenue arises and is recognized on dispatch/delivery of the concerned goods/services.

Claims including insurance claims are accounted for on the acceptance and determination of the amounts recoverable by the concerned authorities.

g) Dividend:

Dividend proposed, if any, by the Board of Directors as appropriation of profit is provided for in the books of a pending approval of the shareholders at the annual general meeting.

h) Miscellaneous Expenditure:

Preliminary, share issue and deferred revenue expenditure are being written off over a period of five years fro commencement of commercial operation.

i) Provision for current and Deferred Tax

Income taxes are accounted for in accordance with Accounting Standard-22 on Accounting for Taxes on Provision for tax is made for current and deferred taxes. Current tax is provided on the taxable income tax rates and tax laws. Deferred tax assets and liabilities arising on account of timing differences and reversal in subsequent periods are recognized using the tax rates and tax laws that have been expended.





		EVIOUS YEAR MOUNT(RS.)
SCHEDULE '16'		•••
PERSONNEL EXPENSES		
Salaries, Bonus. Gratuity & allowances	1145713.00	823447.00
Contribution to Providend Fund & Others Fund	59797.00	34422.00
Welfare Expenses	32111.00	78274.00
Wellare Expenses	1237621.00	936143.00
SCHEDULE '17'	1231021.00	000140.00
ADMINISTRATIVE & OTHER EXPENSES		•
Rent,Rates & Taxes	206574.00	265439.00
Advertisement & Publicity	78118.00	72937.00
Printing & Stationery	266843.00	314055.00
Postage & Telephone	101588.00	160409.00
Legal & Professional	352652.00	190207.00
Repair & Maintenance-Plant & Machinery.	62800.00	1504931.00
Repair & Maintenance-Building	235951.00	132627.00
Repair & Maintenance-Others	21117.00	4166.00
Water & Electricity	70769.50	58502.00
Directors sitting Fee	50500.00	36750.00
Travelling & Conveyance	84716.00	355278.00
Auditors' Remuneration	226682.00	194897.00
Miscellaneous Expenses	351853.00	313730.00
Sanitation Watch & Ward	18035.00	14660.00
Income Tax	213053.00	0.00
Loss on Sale of Fixed Assets	349563.00	115504.37
Share Transfer Expenses	79461.00	75274.00
General Meetings	353077.00	169646.00
	3123352.50	3979012.37
SCHEDULE '18'		
INTEREST & FINANCE CHARGES		
Interest on Term Loan	0.00	1293944.88
Interest on others	1475755.96	1602422.62
Bank Charges	70626.49	175509.25
	1546382.45	3071876.75
SCHEDULE '19'		;
MISCELLANEOUS EXPENDITURE WRITTEN OF	<u> </u>	
Public Issue expenses	- 569170.21	659066.11
Deferred Revenue Expenditure	67716.00	0.00
	636886.21	659066.11



SCHEDULE '20'

NOTES TO THE ACCOUNTS

1. Significant Accounting Policies

a) System of Accounting:

The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting and on the accounting principles of a going concern and comply in all material respects with the mandatory Accounting Standards (AS), issued by the institute of Chartered Accountants of India and the relevant provisions of Companies Act, 1956.

b) Fixed Assets:

- 1) Fixed Assets are stated at cost less accumulated depreciation. Cost of acquisition or construction is inclusive of freight, duties, taxes and incidental expenses related to such acquisition or construction.
- 2) Goodwill is stated at cost less amortization.

c) Depreciation:

- 1) Depreciation on fixed assets is provided on the straight-line method at the rates and in the manner laid down in schedule XIV to the Companies Act, 1956.
- Depreciation has been provided on pro-rata basis in respect of addition to/deletion from the fixed assets with reference to the date of addition/deletion of the assets.
- 3) Goodwill arising on acquisition of business unit is amortized over a period of ten years.

d) Investment:

Long-term investments are stated at cost of acquisition and related expenses. Provision is made to recognize a decline, other than temporary, in the value of investments.

e) Retirement Benefit:

Provision for gratuity is made, in the books of account as per the provisions of Payment of Gratuity Act, 1972 on the assumption that all the employees are entitled to gratuity at the end of the accounting year. Provision for leave encashment is provided for at the end of financial year on the basis of last month drawn salary of the employees.

f) Revenue Recognition:

The revenue in respect of sale of courseware is recognized on delivery of materials. The revenue from training and education activity is recognized over the period of the course program. In respect of software and consultancy activities, the revenue arises and is recognized on dispatch/delivery of the concerned goods/services.

Claims including insurance claims are accounted for on the acceptance and determination of the amounts recoverable by the concerned authorities.

g) Dividend:

Dividend proposed, if any, by the Board of Directors as appropriation of profit is provided for in the books of account pending approval of the shareholders at the annual general meeting.

h) Miscellaneous Expenditure:

Preliminary, share issue and deterred revenue expenditure are being written off over a period of five years from the date of commencement of commercial operation.

i) Provision for current and Deferred Tax

Income taxes are accounted for in accordance with Accounting Standard-22 on Accounting for Taxes on Income. Provision for tax is made for current and deferred taxes. Current tax is provided on the taxable income using the applicable tax rates and tax laws. Deferred tax assets and liabilities arising on account of timing differences and which are capable of reversal in subsequent periods are recognized using the tax rates and tax laws that have been enacted or subsequently enacted.





SOFTWARES LTD

i) Borrowing Cost:

Borrowing cost incurred in relation to the acquisition, construction of assets are capitalized as the part of the cost of such assets upto the date when such assets are ready for intended use. Other borrowing costs are charged as an expenses in the year in which they are incurred.

k) Impairment of Assets:

An assets is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

1) Provisions, Contingent Liabilities and Contingent Assets.

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in financial statements.

m) General

The financial statements have been prepared in accordance with historical cost convention.

Accounting policies not specifically referred to are consistent with GENERALLY ACCEPTED ACCOUNTING PRACTICES.

2) Contingent Liabilities not provided for:

	Current Year	Previous Year
a) Claims against the company not	1,34,79,000.00	1,20,35,000.00
Acknowledged as debt		
b) Bank Guarântee	61,51,542.07	64,52,601.42

- 3). Payment against supplies from Small Scale and ancillary industrial undertaking are generally made in accordance with agreed credit terms and to the extent ascertained from available information, there was no amount overducin this regard.
- 4) The Building purchased by the Company at M-92, Connaught Place, New Delhi, from the promoters in the earlier years is yet to be registered in the Company's name.
- 5) In view of the confirmation not having been obtained from the Sundry Debtors, loans and Advances, Sundry Creditors and banks, the accounts are subject to adjustment on receipt of confirmation of balance and/or reconciliation of accounts the impact whereof on account cannot be ascertained at this stage.
- 6) In the opinion of the Board of Directors, the Fixed Assets, the Current Assets and Loans and Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet

7) Auditors Remuneration (Including service tax):

	Current Year	Previous Year
Audit Fee	1,40,450.00	1,12,360.00
Tax Audit Fee	28,090.00	28,090.00
Misc. Certification & Other Charges	56,092.00	_ 48,045.00
	2,24,632.00	1,88,495.00

- Investor Education and Protection fund includes amount payable towards unclaimed dividend Rs. 92271 (Previous Year Rs. 92271)
- 9) Security deposit under Joans & advances Schedule include an amount of Rs. 20000000/- (Previous year Rs. Nil.), given to one trust in which a director of the Company is interested.

10) Deferred Tax: In accordance with accounting standard As 22 on "Accounting for Taxes on Income Tax" issued by the Institute of Chartered Accountants of India and based on the reasonable certainty that sufficient future taxable income will be available, the company has accounted for deferred tax during the year.

The major components of deferred tax Assets/Liabilities are as under:

Deferred Tax Assets/Liabilities	Balance as at 31-3-2008	Balance as at 31-3-2007
Deferred Tax Liabilities on account of: -		
a) Depreciation	3,48,56,745.00	3,33,81,566.00
b) Others	6,95,046.00	6,95,831.00
Total (A)	3,55,51,791.00	3,40,77,397.00
Deferred Tax Asset on account of: -		
a) Provision for Retirement Benefits	2,70,005.00	2,89,648.00
b) Others	3,64,99,086.00	3,66,28,438.00
Total (B)	3,67,69,091.00	3,69,18,086.00
Net Deferred Tax Assets / Liabilities (A-B)	12,17,300.00	28,40,689.00

- 11) During the year the Company has issued and alloted 7000000 (Seventy Lacs) convertible warrants @ Rs.30/- each to the promoters and non promoter group. The company has received Rs.7, 03, 00,000/- against allotment of convertible warrants. The convertible warrants will be converted into fully paid up equity shares of Rs. 10/- each for each warrants at a premium of Rs.20/-per share within a period of 18 months from its allotment date..
- 12) During the current year the company has incurred deferred revenue expenditure amounting to Rs. 338540/- (Previous year Rs. Nil) being part of the expenditure incurred on issue of fully convertible share warrants. The same have been shown under the head Miscellaneous Expenditure and will be written off over a period of 5 years.
- 13) Sundry debtors outstanding for a period exceeding six months as at 31st March, 2008 include Rs. 12884944.94 which are long outstanding and recoverable from the institutional debtors mainly of government parties and the matter is pending in the arbitration. These debtors are considered good of recovery by the management and no provision is considered necessary in this respect at this stage.
- 14) Amount of borrowing cost capitalized as per Accounting Standards-16 during the year was Rs. NIL
- 15) Segment Reporting (AS-17)

Primary Segment Information-Business Segment (Rs. In Lac

Particulars	Software Training - & Education	Franchisee Business	Total
Segment Revenue	525.80	49.84	575.64
	(368.40)	(51.69)	(420,09)
External Sales			
Inter Segment Sales			-
Income (other than interest)			9.56
			(5.78)
Interest Income			4.66
			(4.68)
Total Segment Revenue		,	589.86
			(430.55)
Segment Results	21 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		
Segment Profit/(Loss) before Tax &	114.20	28.78	142.98
interest	(-35.35)	(35.61)	(0.26)
Less: -			
(i) Interest			15.46
			(30.71)
(ii)other un-allocable expenditure net			
off un-allocable income			
Total profit/(loss) before Tax			127.52
	1		(-30:45)

Note Figures in brackets represent Previous Year's amount.

Note: - As the Assets are used inter changeably by different segment, segment wise capital employed is not ascertainable.





SOFTWARES LTD

16) Earning per share:

Rs. Rs.

Net (loss)/profit for the period attributable to equity shareholders 11116561.86 (1412395.00)

Number of Equity shares 7000000 7000000

Basic and diluted earning per share (face value of Rs. 10/-) 1.59 -0.20

17) Related party Disclosures (Pursuant to Accounting Standard-18), are given below: Relationship:

a) Subsidiary Companies

IEC Leasing & Capital Management Ltd. IEC Learning and Management Ltd. IEC Education and Infrastructure Ltd.

b) Other related parties where transactions have taken place.

Vocational Education Foundation VEF Housing & Developers Pvt. Ltd. Satguru Infracon Pvt. Ltd. Sunway Energy Pvt. Ltd. Vocational Educational Trust.

c) Directors of the Company:

Brig. S.V.S.Chowdhry Non Executive Director Mr. L.C Goel **Executive Director** Mr. R.L.Gupta Non Executive Director Mr. Kailash Nath Non Executive Director Mr. Sarabjit Singh Saini Non Executive Director Mr. Rasik Makker Non Executive Director Mr. H.P Singh Non Executive Director Mr. Arun Aggarwal Non Executive Director (Resigned w.e.f. 18/07/2007) Mr. H:R.Issrani Non Executive Director (Appointed w.e.f. 04/01/2008) Mr. A.K Khare Non Executive Director (Appointed w.e.f. 30/07/2007) Mr. J.K. Bhola Non Executive Director (Appointed w.e.f. 04/01/2008)

d) Relative of Directors and their enterprises where transactions have taken place

Mrs. Sharda Gupta Mr. Naveen Gupta Mrs. Shalini Gupta

Note: - Related party relationship is as identified by the Company and relied upon by the auditors

Nature of transaction	Referred	Referred in	Referred in	Referred in	Total
	in 17(a)	. 17(b)	17(c)•	17(d)	
Expenses					
Director Sitting Fees			50500.00		50500.00
			(36750.00)		(36750.00)
Interest .		1130132.68		332542.89	1462675.57
·		(1103013.58)		(467426.42)	(1570440.00)
Amount received during the Year		19107687.75	4050000.00	2565890.89	25723578.64
		(21357529.58)	(55000.00)	(3096781.42)	(24509311.00)
Amount paid during the Year		11410000.00	1000000.00	3900000.00	16310000.00
·		(40321059.00)	-	(6043000.00)	(46364059.00)
Security given during the year		20000000.00	-	_	20000000.00
		(4000000.00)	_	-	(4000000.00)
Building Sold during the year			4000000.00	1500000.00	5500000.00
		<u> </u>	-	-	-
Investment	1020000.00				1020000.00

Note: Figures in brackets represent Previous Year's amount.

- - Previous year's expenditure accounted for under the respective heads of accounts during the current year is Rs.23,640/(Previous year Rs.13,400/-)
 - 19) Additional information pursuant to paras 3, 4C and 4D of Part-II of the Schedule VI of the Companies Act, 1956 is given below to the extent applicable.

Expenditure incurred in foreign currency:

Foreign Travel 0.00 1,36,350.00 Earning in foreign exchange: 0.00 0.00

20) Previous year's figures have been regrouped/rearranged wherever considered necessary.

As per our report of even date

For Nath & Hari

Chartered Accountants

(Kailash Hari) Partner

Place:- Delhi

Date :- 27th June, 2008

for and on behalf of the Board

Brig. S.V.S Chowdhry(Chairman)

L.C.Goel (Executive Director)

R.L.Gupta (Director)

Kailash Nath (Director)

Sarabjit Singh Saini (Director)

Rasik Makker (Director)

H.P. Singh (Director)

H.R. Issarini (Director)

A.K. Khare (Director)

J.K. Bhola (Director)

Shweta Dixit (Company Secretary)

Ashutosh Kr. Jha (Accounts Manager)





CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH,2008.

(eu	RENTALAR	T PREVIOUS YEAR:
	(RSI)	(RS)
A) Cash flow from Operating Activities		
Net Profit/(Loss) before Tax & Extraordinary Items Adjustment for :	12751640.86	(3044884.00)
Depreciation	7520266.91	8333807.69
Miscellaneous Expenditure written off	636886.21	659066.11
Interest (Net)	1010110.31	2453183.09
Loss on sale of fixed assets	349563.00	115504.37
Operating Profit before working capital changes Adjustment for:	22268467.29	8516677.26
(Increase)/Decrease in Trade and other receivables	(44858653.42)	10663068.80
increase/(Decrease) in Trade payables	53142296.23	(2259300.81)
Cash generated from operation	30552110.10	16920445.25
Income Tax including Fringe Benefit Tax	11690.00	(35018.00)
Net Cash (used) in / from Operating Activities	30540420.10	16885427.25
B) Cash Flow from Investing Activities		10000 127.120
Purchase of fixed assets	(7049617.50)	(2484727.00)
Sale of fixed assets	5044913.33	23203385.00
Interest received	465645.65	443184.42
Purchased of Investments	(1020000.00)	
Net Cash (used) in / from Investing Activities	(2559058.52)	21161842.42
c) Cash Flow From Financing Activities		
Proceeds of Long Term and other borrowings	0.00	-13914697.12
Repayment of Long Term and other borrowings	2781836.52	(21003719.37)
Share Issue Expenses	(338580.00)	0.00
Dividend Paid	0.00	0.00
Interest Paid	(1475755.96)	(2896367.51)
Net Cash(used)in/ from Financing Activities	967500.56	(37814784.00)
Net increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	28948862.14	232485.67
Cash and Cash Equivalents-Opening Balance	7815485.74	7583000.07
Cash and Cash Equivalents-Closing Balance	36764347.88	7815485.74
Note:- 1) Previous year's figures have been regrouped/ reclassified wherever applicable.		

As per our report of even date

For and on Behalf of the Board

For Nath & Hari		Brig.S.V.S Chowdhry (Chairman)	H.P Singh (Director)
Chartered Accountants	•	L.C.Goel (Executive Director)	H.R Issarini (Director)
		R.L Gupta (Director)	A.K Khare (Director)
	* -	Kailash Nath (Director)	J.K.Bhola (Director)
(Kailash Hari)	-	Sarabjit Singh Saini (Director)	Shweta Dixit (Company Secretary)
Partner		Rasik Makker (Director	Ashutosh Kr. Jha (Accounts Manager)

Place:- Delhi:

Date:-127th June,2008

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT,1956

i)	Registration details	
100	Registration No.	61053
c	State Code No.	55
	Balance Sheet Date	31.3.2008
ii)		
	Public Issue (Issue through the prospectus)	Nil
	Rights Issue (including share premium)	Nil
	Bonus Issue	Nil
	Private Placement	Nil
iii)	Position of Mobilization and Deployment of Funds (Amount in Thousands)	
	Total Liabilities	281947
	Total Assets	281947
	SOURCE OF FUNDS:	
•	Paid-up Capital	70000
	Reserves & Surplus	187325
	Secured Loans	241
	Unsecured Loans	24381
	APPLICATION OF FUNDS:	
: .	Net Fixed Assets	57486
	Investments	3520
	Deferred Tax Assets	1217
	Net Current Assets	78189
	Misc. Expenditure	271
	Accumulated Losses	141264
iv)	Performance of the Company (Amount in Thousands)	
• '	Turnover (Including other income)	58986
	Total expenditure	46234
	Profit/(Loss) before Tax	12752
*	Profit/(Loss) after Tax	11116
	Earning per share in Rs.	1.59
	Dividend Rate %	0.00
iv)	Generic Name of Principal Product/Services of the Company	
	(As per monetary Terms)	
٠.	Item code No.	N.A
	Product Description	N.A
		**

As per our report of even date

For Nath & Hari

Chartered Accountants

(Kailash Hari)

Partner

Place :- Delhi

Dâte:- 27th June, 2008

For and on Behalf of the Board

Brig S.V.S Chowdhry (Chairman) L.C Goel (Exceutive Director) R.L. Gupta (Director) Kailash Nath (Director)

Sarabjit Singh Saini (Director) Rasik Makker (Director)

H.P Singh (Director) H.R Issarini (Director) A.K.Khare (Director) J.K.Bhola (Director)

Shweta Dixit (Company Secretary) Ashutosh Kr. Jha (Accounts Manager)





IEC LEASING & CAPITAL MANAGEMENT LTD.

Director's Report

To The Members,

Your Directors have pleasure in presenting the Eleventh Annual Report and Audited Accounts of your Company for the financial year ended 31st March, 2008.

CORPORATE RESULTS

	Year ended 31.03.08	Year ended 31.03.07
Total Income	0.00	0.00
Administrative Expenditure	83793.90	96794.00
Miscellaneous Expenditures Written off	0.00	1292.00
Profit/(Loss) before Tax	(-) 83793.90	(-) 98086.00
Provision For Tax	0.00	0.00
Profit/(Loss) after Tax	(-) 83793.90	(-) 98086.00

COMPANY PERFORMANCE

Since there is a general recession in the industry, the Company has not undertaken any activity during previous financial year i.e. 2006-2007.

DIVIDEND

Your Directors do not recommend any dividend on the equity share capital.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. R.L Gupta who retires by rotation at this Annual General Meeting and being eligible offers himself for reappointment as Director of the Company.

AUDITORS

The Auditors of the Company M/s Nath & Hari, Chartered Accountants, New Delhi retiring at the ensuing Annual General Meeting of the Company and being eligible offer themselves for reappointment.

The observations of the auditors and the relevant notes on the Accounts are self-explanatory and do not require further clarification or explanation.

PARTICULARS OF EMPLOYEES UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956

The Company has no such employees during the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956, the Directors hereby confirm that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures.
- The directors have selected such accounting policies and applied them consistently and made judgements 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 and of
 the loss of the Company for that period.
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the
 provisions of this Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.
- The Directors had prepared the annual accounts on a going concern basis.



INFORMATION UNDER SECTION 217(1) (e) OF THE COMPANIES ACT, 1956

The Company being a financial sector service company, no disclosure relating to conservation of energy and technological absorption is reported.

PUBLIC DEPOSIT

The Company has neither invited nor accepted any deposit from the public during the year under review, with in the meaning of section 58A of the Companies Act, 1956 and the Companies (Acceptance of the Deposit) rules, 1956.

SUBSIDIARY COMPANY

The Company does not have any subsidiary Company.

APPRECIATION

Your Directors appreciate the continuous support, which the Company continues to receive from its business associates and from every member of the Company.

For and on behalf of the Board

- sd

Place: New Delhi Dated: 27th June, 2008 R.L.Gupta (Chairman)





Auditor's Report

TO,
The Members of
IEC LEASING & CAPITAL MANAGEMENT LTD.

- We have audited the attached Balance Sheet of M/s. IEC LEASING & CAPITAL MANAGEMENT LTD as at 31st March.2008 and also the Profit & Loss Account 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 the financial statement 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 presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.
- 3. As required by the Companies (Auditor's report) Order. 2003 "(The order)" (As amended) issued by the Central Government 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 paragraph 4 and 5 of the said order to the extent applicable to the Company.
- 4. Further to our comments in the Annexure referred to in paragraph (3) 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 purpose of our audit.
 - (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 the books.
 - (c) The Balance Sheet, and Profit & Loss Account dealt with by this report are in agreement with the books of accounts
 - (d) In our opinion, the Balance Sheet, and Profit & Loss Accounts dealt with by this report comply with the Accounting Standards referred to in sub-section (3 c) of Section 211 of the Companies Act, 1956.
 - (c) On the basis of written representations received from the Directors of the Company as on 31st March, 2008 and taken on record by the Board of Directors, we report that the none of the Directors is disqualified as on 31st March, 2008 from being appointed as a director of the Company in terms of clause (g) of subsection (l) 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 read together with the notes thereon, 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 principals generally accepted in India.
 - I. In the case of the Balance Sheet of the state of affairs of the Company as at 31" March, 2008, and:
 - II. In the case of the Profit & Loss Account of the Loss for the year ended on that date.

Place:- Delhi

For NATH & HARI Chartered Accountants

Date :- 27th June, 2008

Kailash Hari (Partner) M.No.- 82285.



ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 3 of our report of even date on the accounts of IEC Leasing & Capital Management Limited for the year ended 31"March, 2008)

- I. The Company has not granted or taken any loans, secured or unsecured to/from companies firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- II. In our opinion and according to the information and explanation given to us, the internal control procedures are commensurate with the size of the Company and the nature of its business.
- III. According to the information and explanations given to us, there are no transactions that need to be entered into a register in pursuance of section 301 of the Companies Act, 1956.
- IV. The Company has not accepted any deposit from the public.
- V. The Company has no formal internal audit department as such. However, its control procedures ensure reasonable internal checking of its financial and other records.
- VI. Maintenance of cost records have not been prescribed by the Central Government in respect of the business carried on by the Company.
- VII. a) The Company is not covered under the Provident Fund and Employees State Insurance Scheme. The company did not have any dues in respect of income tax, wealth tax, custom duty, excise duty and cess.
 - b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, custom duty and cess were in arrears, as at the last day of the financial year for a period of more six month from the date they became payable.
 - c) According to the information and explanations given to us, there are no dues of sales tax, income tax. Custom duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.
- VIII. The accumulated losses of the Company exceed fifty percent of its net worth at the end of the financial year. The Company has incurred cash losses during the current financial year and also in the immediately preceding financial year.
- IX. In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank. The Company has not issued any debentures.
- X. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- XI. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit/society. Therefore the provisions of clause 4 (xiii) of the Companies (Auditor's Report) order, 2003 are not applicable to the Company.
- XII. In our opinion and according to the information and explanations given to us, the Company has maintained proper records of the transactions and contracts relating to dealing in shares, securities, debentures and other investments and these are held by the Company in its own name.
- XIII. According to the information and explanations given to us the Company has not given guarantees for loans taken by others from bank or financial institutions.
- XIV. The Company has not taken any term Loans and hence reporting on the utilization of such loans does not arise.
- XV. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that the Company has not used funds raised on short term basis for long term investments and no long term funds have been used to finance short term assets.
- XVI. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.





- XVII. The Company has not issued to debentures and hence the question of reporting on creation of securities in respect of debentures issued does not arise.
- XVIII. The Company has not raised any resources by way of public issue and hence the question of reporting on the disclosure relating to end use of such resources does not arise.
- XIX. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

The nature of Company's business activities during the year have been such that clause (i) and (ii) of paragraph 4 of the Companies (Auditor's Report) Order' 2003 are not applicable to the company for the year.

Place :- Delhi

Date :- 27th June, 2008

For NATH & HARI Chartered Accountants

> Kailash Hari (Partner) M.No.- 82285



IEC LEASING & CAPITAL MANAGEMENT LTD.

BALANCE SHEET AS AT 31ST MARCH, 2008



SOURCE OF FUNDS		Τ				
Shareholders Fund		ļ			٠	
Share Capital	1'	i		2507000.00		2507000.00
TOTAL (RS.)			-	2507000.00	· —	2507000.00
APPLICATION OF FUND	<u>s</u>					
Current Assets,Loans & Adva	inces					
Investment	· 2		40000.00		40000.00	
Cash & Bank Balances	3	. 11	128933.20		222747.10	
		• [168933.20		262747.10	
Less:-Current Liabilities & Pr	ovisions		•			
Current Liabilities	4	i	5618.00		15638.00	
	•		5618.00		15638.00	
,			•			
Net Current Assets				163315.20		247109.10
Profit & Loss Account				2343684.80		2259890.90
,				2507000.00		2507000.00
Notes to the Accounts	7	_				

As per our report of even date

For Nath & Hari Chartered Accountants

(Kailash Hari) Partner

Place:- Delhi

Date:- 27th June, 2008

For and on Behalf of the Board

R.L.Gupta (Chairman)

Brig. S.V.S.Chowdhry (Director)



SOFTWARES LTD.

IEC LEASING & CAPITAL MANAGEMENT LTD.

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

SCHEDULE CURRENTY Amount Ess	EAR PREVIOUS MEAR 7. AMOUNT 150.
INCOME	
Income from operation0.00	0.00
0.00	0.00
EXPENDITURE	
	93.90 96794.00
Miscellaneous Expenditure Written Off. 6	0.00 1292.00
	93.90 98086.00
Profit/(Loss) before tax (837)	93.90) (98086.00)
Provision for Tax	0.00 0.00
Profit/(Loss) after Tax (837	93.90) (98086.00)
Balance profit(Loss)brought from previous year (22598	90.90) (2161804.90)
Balance profit/(loss)carried to Balance Sheet (23436	84.80) (2259890.90)

Notes to the Accounts

As per our report of even date

For Nath & Hari Chartered Accountants

(Kailash Hari) Partner

Place:- Delhi.

Date:- 27th June, 2008

For and on Behalf of the Board

R.L.Gupta (Chairman)

Brig. S.V.S.Chowdhry (Director)



IEC LEASING & CAPITAL MANAGEMENT LTD.

SCHEDULES FORMING PART OF THE BALANCE SHEET

	. ASAT BIST MATCH2003 (T.S.)	AS AT 31ST WARCHZOOT (RSJ)
SCHEDULE '1' SHARE CAPITAL Authourised 3,00,000 Equity Shares of Rs.10/- each	3000000.00	3000000.00
Issued subscribed & Paid up 2,50700 Equity Shares of Rs 10/- each fully paid up	2507000.00	2507000.00
	2507000.00	2507000.00
SCHEDULE '2'		
INVESTMENTS Quoted 400 Equity Shares of IEC SOFTWARES LTD.	40000,00	40000.00
	40000.00	40000.00
SCHEDULE '3' CASH & BANK BALANCES		
Cash in Hand	128933.20	222371.20
Central Bank of India C/A	0.00	375.90
	128933.20	222747.10
SCHEDULE '4' CURRENT LIABILITIES		
Other Liabilities	5618.00	15638.00
	5618.00	15638.00





IEC LEASING & CAPITAL MANAGEMENT LTD.

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

		* ***
	GURRENT"	PREVIOUS 📑
	MEAR	ABVY
SCHEDIII E 'E'		
SCHEDULE '5'		
ADMINISTRATIVE & OTHER EXPENSES		
Audit Fee	5618.00	5618.00
Bank Charges	375.90	493.00
R.O.C.Filling Charges	1500.00	5000.00
Printing & Stationery	3375.00	3560.00
Photostat & Typing	2575.00	2858.00
General Expenses	3987.00	4500.00
Consultancy Charges	5500.00	5500.00
Salary Allowances	42500.00	47500.00
Conveyance Charges	3745.00	5610.00
Postage & Telegram	1200.00	1580.00
Professional Charges	8000.00	7800.00
Staff Welfare	2918.00	3500.00
Hiring charges	2500.00	3275.00
	83793.90	96794.00
	•	
SCHEDULE '6'		
MISCELLANEOUS EXPENDITURE WRITTEN OFF	0.00	1292.00
Preliminary Expenses		
· · · · · · · · · · · · · · · · · · ·	0.00	1292.00



SCHEDULE 7

NOTES TO THE ACCOUNTS

- 1. Significant Accounting Policies
 - a) The financial Statements have been prepared in accordance with the generally accepted accounting principles.
 - b) Accrual method of accounting is followed with regard to income and expenses.
 - c) No provision for gratuity has been made by the company for the financial year.
 - d) Preliminary expenses are to be written off over a period of 10 years
 - e) Long term investments are valued at cost.
 - f) The Company's policy is to treat tax expenses for the year comprising current tax and deferred tax, in the determination of the net profit/loss for the period. However as per Para 15 to 18 of AS-22, the Company is virtually not certain of the fact, whether future taxable income will be available against which deferred tax asset can be realized. Thus the Company has not created any deferred tax asset and shall do the same when it is certain that deferred tax asset can be realized.
- 2. Previous years figure have been regrouped/rearranged wherever considered necessary
- 3. Auditor's remuneration consist of audit fee of Rs. 5618/- (Previous year Rs. 5618/-)
- 4. Additional information pursuant to para 3,4c & 4d of part-II of schedule-VI of the Companies Act 1956 is not given as the same is not applicable.
- 5. Schedule No. 1 to 7 form an integral part of the accounts and have duly been authenticated.

As per our report of even date For Nath & Hari Chartered Accountants (Kailash Hari) Partner Place: Delhi Date: 27th June, 2008 For and on Behalf of the Board R.L. Gupta (Chairman) Brig. S.V.S Chowdhry (Director)





Director's Report

To The Members,

Your Directors have pleasure in presenting the First Annual Report and Audited Accounts of your Company for the financial year ended 31" March, 2008.



COMPANY PERFORMANCE

The Company has been recently incorporated on 4th February 2008. It received Certificate of Commencement of Business on 28th February 2008. Therefore no business operations has commenced upto the date of 31th March 2008.

DIVIDEND

Your Directors do not recommend any dividend on the equity share capital.

DIRECTORS

Mr. R.L Gupta, Naveen Gupta and A.K Khare are directors appointed by Article of association of the Company. Mr. R.L. Gupta retires by rotation and being eligible offers himself for re-appointment.

AUDITORS

The Auditors of the Company M/s Nath & Hari, Chartered Accountants, New Delhi has bees been appointed as Directors of the Company

The observations of the auditors and the relevant notes on the Accounts are self-explanatory and do not require further clarification or explanation.

PARTICULARS OF EMPLOYEES UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956

The Company has no such employees during the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956, the Directors hereby confirm that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures.
- The directors have selected such accounting policies and applied them consistently and made judgements 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 and of the loss of the Company for that period.
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.



• The Directors had prepared the annual accounts on a going concern basis.

INFORMATION UNDER SECTION 217(1) (c) OF THE COMPANIES ACT, 1956

The Company being a financial sector service company, no disclosure relating to conservation of energy and technological absorption is reported.

PUBLIC DEPOSIT

The Company has neither invited nor accepted any deposit from the public during the year under review, with in the meaning of section 58A of the Companies Act, 1956 and the Companies (Acceptance of the Deposit) rules, 1956.

SUBSIDIARY COMPANY

The Company does not have any subsidiary Company.

APPRECIATION

Your Directors appreciate the continuous support, which the Company continues to receive from its business associates and from every member of the Company.

For and on behalf of the Board

sd

Place: Delhi

Dated: 27th June, 2008

R.L Gupta (Chairman)





Auditor's Report

TO,
The Members of
IEC LEARNING AND MANAGEMENT LTD.

- 1. We have audited the attached Balance Sheet of M/s. IEC LEARNING AND MANAGEMENT LTD. as at 31st March 2008 and also the Profit & Loss Account for the period 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 the financial statement 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 presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.
- 3. As required by the Companies (Auditor's report) Order. 2003 "(The order)" (As amended) issued by the Central Government 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 paragraph 4 and 5 of the said order to the extent applicable to the Company.
- 4. Further to our comments in the Annexure referred to in paragraph (3) 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 purpose of our audit.
 - (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 the books.
 - (c) The Balance Sheet, and Profit & Loss Account dealt with by this report are in agreement with the books of accounts
 - (d) In our opinion, the Balance Sheet, and Profit & Loss Accounts dealt with by this report comply with the Accounting Standards referred to in sub-section (3 c) of Section 211 of the Companies Act, 1956.
 - (e) On the basis of written representations received from the Directors of the Company as on 31st March, 2008 and taken on record by the Board of Directors, we report that the none of the Directors is disqualified as on 31st March, 2008 from being appointed as a director of the Company in terms of clause (g) of sub section (l) 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 read together with the notes thereon, 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 principals generally accepted in India.
 - I. In the case of the Balance Sheet of the state of affairs of the Company as at 31" March, 2008. and:
 - II. In the case of the Profit & Loss Account of the Loss for the period ended on that date.

Place:- Delhi

For NATH & HARI Chartered Accountants

Date :- 27th June, 2008

Kailash Hari (Partner) M.No.- 82285.



ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 3 of our report of even date on the accounts of IEC Learning & Management Limited for the year ended 31"March, 2008)

- I. The Company has not granted or taken any loans, secured or unsecured to/from companies firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- II. In our opinion and according to the information and explanation given to us, the internal control procedures are commensurate with the size of the Company and the nature of its business.
- III. According to the information and explanations given to us, there are no transactions that need to be entered into a register in pursuance of section 301 of the Companies Act, 1956.
- IV. The Company has not accepted any deposit from the public.
- V. The Company has no formal internal audit department as such. However, its control procedures ensure reasonable internal checking of its financial and other records.
- VI. Maintenance of cost records have not been prescribed by the Central Government in respect of the business carried on by the Company.
- VII. a) The Company is not covered under the Provident Fund and Employees State Insurance Scheme. The company did not have any dues in respect of income tax, wealth tax, custom duty, excise duty and cess.
 - b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, custom duty and cess were in arrears, as at the last day of the financial year for a period of more six month from the date they became payable.
 - c) According to the information and explanations given to us, there are no dues of sales tax, income tax. Custom duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.
- VIII. The accumulated losses of the Company do not exceed fifty percent of its net worth at the end of the financial year. The Company has incurred cash losses during the current financial year but not in the immediately preceding financial year.
- IX. In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank. The Company has not issued any debentures.
- X. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other execurities.
- XI. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit/society. Therefore the provisions of clause 4 (xiii) of the Companies (Auditor's Report) order, 2003 are not applicable to the Company.
- XII. In our opinion, the Company is not dealing in or trading in share, securities, debenture and other Investment. Accordingly, the provisions of clause 4 (xiv) are not applicable to the Company.
- XIII. According to the information and explanations given to us the Company has not given guarantees for loans taken by others from bank or financial institutions.
- XIV. The Company has not taken any term Loans and hence reporting on the utilization of such loans does not arise.
- XV. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that the Company has not used funds raised on short term basis for long term investments and no long term funds have been used to finance short term assets.
- XVI. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.





XVII. The Company has not issued to debentures and hence the question of reporting on creation of securities in respect of debentures issued does not arise.

XVIII. The Company has not raised any resources by way of public issue and hence the question of reporting on the disclosure relating to end use of such resources does not arise.

XIX. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

The nature of Company's business activities during the year have been such that clause (i) and (ii) of paragraph 4 of the Companies (Auditor's Report) Order' 2003 are not applicable to the company for the period.

Place :- Delhi

Date :- 27th June, 2008

For NATH & HARI Chartered Accountants

Kailash Hari (Partner) M.No.- 82285



BALANCE SHEET AS AT 31ST MARCH, 2008

	SCHEDULE:		AS AT 31ST MARCH 2003
Shareholders Fund Share Capital	1		1000000.00
TOTAL (RS.)			1000000.00
APPLICATION OF FUNDS			
Current Assets, Loans & Advances			
Cash & Bank Balances	2	822800.00 822800.00	
Less:-Current Liabilities & Provisions			
Current Liabilities	3	5618.00 5618.00	
Net Current Assets		•	817182.00
Miscellaneous Expenditure	4		177200.00
Profit & Loss Account	·		5618.00
		. <u></u>	1000000.00
Notes to the Accounts	6		

As per our report of even date

For Nath & Hari Chartered Accountants

(Kailash Hari) Partner

Place:- Delhi

Date:- 27th June, 2008

For and on Behalf of the Board

R.L.Gupta (Chairman)

Naveen Gupta (Director)





PROFIT & LOSS ACCOUNT FOR THE PERIOD FROM 4TH FEBRUARY, 2008 TO 31ST MARCH, 2008



	0.00
	0.00
5	5618.00
	5618.00
	(5618.00)
	0.00
	(5618.00)
	(5618.00)
	5

As per our report of even date

Notes to the Accounts

For Nath & Hari Chartered Accountants

(Kailash Hari) Partner

Place:- Delhi

Date:- 27th June, 2008

For and on Behalf of the Board

R.L.Gupta (Chairman)

Naveen Ĝupta (Director)



SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2008

SCHEDULE '1'	
SHARE CAPITAL .	
Authourised	•
10,00,000 Equity Shares of Rs.10/- each	10000000.00
Issued subscribed & Paid up	
1,00,000 Equity Shares of Rs.10/- each	
fully paid up	1000000.00
	1000000.00
SCHEDULE '2'	
CASH & BANK BALANCES	
Cash in Hand	822800.00
	822800.00
SCHEDULE '3'	
CURRENT LIABILITIES	
Other Liabilities	5618.00
	5618.00
SCHEDULE '4'	
MISCELLANEOUS EXPENDITURE	
(To the extent not written off or adjusted)	
Preliminary Expenses	177200.00
	177200.00

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE PERIOD 4TH FEBRUARY 2008 TO 31ST MARCH, 2008

	CURRENT YEAR
·	5618.00
	5618.00
	· · · · · · · · · · · · · · · · · · ·





S

SCHEDULE 6

NOTES TO THE ACCOUNTS

1. Significant Accounting Policies

- a) The financial Statements have been prepared in accordance with the generally accepted accounting principles.
- b) Accrual method of accounting is followed with regard to income and expenses.
- c) No provision for gratuity has been made by the company for the financial year.
- d) Preliminary expenses are to be written off over a period of 5 years from the year of Operation.
- e) The Company's policy is to treat tax expenses for the year comprising current tax and deferred tax, in the determination of the net profit/loss for the period. However as per Para 15 to 18 of AS-22, the Company is virtually not certain of the fact, whether future taxable income will be available against which deferred tax asset can be realized. Thus the Company has not created any deferred tax asset and shall do the same when it is certain that deferred tax asset can be realized.
- 2. This is the first accounting year of the Company, so there are no previous year's figure.
- 3. Auditor's remuneration consist of audit fee of Rs. 5618/-
- 4. Additional information pursuant to para 3,4c & 4d of part-II of schedule-VI of the Companies Act 1956 is not given as the same is not applicable.
- 5. Schedule No. 1 to 6 form an integral part of the accounts and have duly been authenticated.

As per our report of even date

For Nath & Hari Chartered Accountants

(Kailash Hari) Partner

Place:- Delhi

Date: - 27th June, 2008

For and on Behalf of the Board

R.L.Gupta (Chairman)

Naveen Gupta (Director)



Director's Report

To The Members:

Your Directors have pleasure in presenting the First Annual Report and Audited Accounts of your Company for the financial year ended 31" March, 2008.

CORPORATE RESULTS

Year ended 2008	
IONIMCOM?	
Missellage and Epocation and	
Profit Millions Collections Box	
Proprietori Fort Text	
Piroft/(Coss)/after Tex	

COMPANY PERFORMANCE

The Company has been recently incorporated on 1"February 2008. It received Certificate of Commencement of Business on 27th February 2008. Therefore no business operations has commenced upto the date of 31" March 2008.

DIVIDEND

Your Directors do not recommend any dividend on the equity share capital.

DIRECTORS

Mr. R.L. Gupta, Naveen Gupta and A.K. Khare are directors appointed by Article of association of the Company. Mr. R.L. Gupta retires by rotation and being eligible offers himself for re-appointment.

AUDITORS

The Auditors of the Company M/s Nath & Hari, Chartered Accountants, New Delhi has bees been appointed as Directors of the Company

The observations of the auditors and the relevant notes on the Accounts are self-explanatory and do not require further clarification or explanation.

PARTICULARS OF EMPLOYEES UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956

The Company has no such employees during the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956, the Directors hereby confirm that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures.
- The directors have selected such accounting policies and applied them consistently and made judgements 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
 and of the loss of the Company for that period.



irregularities.



- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with
 the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting frauds and other
- The Directors had prepared the annual accounts on a going concern basis.

INFORMATION UNDER SECTION 217(1) (e) OF THE COMPANIES ACT, 1956

The Company being a financial sector service company, no disclosure relating to conservation of energy and technological absorption is reported.

PUBLIC DEPOSIT

The Company has neither invited nor accepted any deposit from the public during the year under review, with in the meaning of section 58A of the Companies Act, 1956 and the Companies (Acceptance of the Deposit) rules, 1956.

SUBSIDIARY COMPANY

The Company does not have any subsidiary Company.

APPRECIATION

Your Directors appreciate the continuous support, which the Company continues to receive from its business associates and from every member of the Company.

For and on behalf of the Board

sd

Place: Delhi

Date: 27th June, 2008

R.L Gupta (Chairman)



Auditor's Report

TO,
The Members of
IEC EDUCATION AND INFRASTRUCTURE LTD.

- We have audited the attached Balance Sheet of M/s. IEC EDUCATION AND INFRASTRUCTURE LTD as at 31" March 2008 and also the Profit & Loss Account for the period 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 the financial statement 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 presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.
- 3. As required by the Companies (Auditor's report) Order. 2003 "(The order)" (As amended) issued by the Central Government 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 paragraph 4 and 5 of the said order to the extent applicable to the Company.
- 4. Further to our comments in the Annexure referred to in paragraph (3) 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 purpose of our audit.
 - (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 the books.
 - (c) The Balance Sheet, and Profit & Loss Account dealt with by this report are in agreement with the books of accounts
 - (d) In our opinion, the Balance Sheet, and Profit & Loss Accounts dealt with by this report comply with the Accounting Standards referred to in sub-section (3 c) of Section 211 of the Companies Act, 1956.
 - (e) On the basis of written representations received from the Directors of the Company as on 31" March, 2008 and taken on record by the Board of Directors, we report that the none of the Directors is disqualified as on 31" March, 2008. from being appointed as a director of the Company in terms of clause (g) of sub section (I) 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 read together with the notes thereon, 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 principals generally accepted in India.
 - In the case of the Balance Sheet of the state of affairs of the Company as at 31" March, 2008. and:
 - II. In the case of the Profit & Loss Account of the Loss for the period ended on that date.

Place:- Delhi

For NATH & HARI Chartered Accountants

Date :- 27th June, 2008

Kailash Hari (Partner) M.No.- 82285





ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 3 of our report of even date on the accounts of IEC Education & infrastructure Limited for the year ended 31st March, 2008)

- The Company has not granted or taken any loans, secured or unsecured to/from companies firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- II. In our opinion and according to the information and explanation given to us, the internal control procedures are commensurate with the size of the Company and the nature of its business.
- III. According to the information and explanations given to us, there are no transactions that need to be entered into a register in pursuance of section 301 of the Companies Act, 1956.
- IV. The Company has not accepted any deposit from the public.
- V. The Company has no formal internal audit department as such. However, its control procedures ensure reasonable internal checking of its financial and other records.
- VI. Maintenance of cost records have not been prescribed by the Central Government in respect of the business carried on by the Company.
- VII. a) The Company is not covered under the Provident Fund and Employees State Insurance Scheme. The company did not have any dues in respect of income tax, wealth tax, custom duty, excise duty and cess.
 - b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, custom duty and cess were in arrears, as at the last day of the financial year for a period of more six month from the date they became payable.
 - c) According to the information and explanations given to us, there are no dues of sales tax, income tax. Custom duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.
- VIII. The accumulated losses of the Company do not exceed fifty percent of its net worth at the end of the financial year. The Company has incurred cash losses during the current financial year but not in the immediately preceding financial year.
- IX. In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank. The Company has not issued any debentures.
- X. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- XI. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit/society. Therefore the provisions of clause 4 (xiii) of the Companies (Auditor's Report) order, 2003 are not applicable to the Company.
- XII. In our opinion, the Company is not dealing in or trading in share, securities, debentures and other Investments. Accordingly, the provisions of clause 4 (xiv) are not applicable to the Company.
- XIII. According to the information and explanations given to us the Company has not given guarantees for loans taken by others from bank or financial institutions.
- XIV. The Company has not taken any term Loans and hence reporting on the utilization of such loans does not arise.
- XV. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that the Company has not used funds raised on short term basis for long term investments and no long term funds have been used to finance short term assets.
- XVI. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- XVII. The Company has not issued to debentures and hence the question of reporting on creation of securities in respect of debentures issued does not arise.



XVIII. The Company has not raised any resources by way of public issue and hence the question of reporting on the disclosure relating to end use of such resources does not arise.

XIX. According to the information and explanations given to us-, no fraud on or by the Company has been noticed or reported during the course of our audit.

The nature of Company's business activities during the year have been such that clause (i) and (ii) of paragraph 4 of the Companies (Auditor's Report) Order' 2003 are not applicable to the company for the period.

Place:-Delhi

Date :- 27th June, 2008

For NATH & HARI Chartered Accountants

Kailash Hari (Partner) M.No.- 82285





BALANCE SHEET AS AT 31ST MARCH, 2008

	SCHEDULE	18	AS AT E0027H2002
SOURCE OF FUNDS Shareholders Fund		•	
Share Capital TOTAL (RS.)	1		1000000.00 1000000.00
APPLICATION OF FUNDS			
Current Assets, Loans & Advances Cash & Bank Balances	2	822800.00 822800.00	
Less:-Current Liabilities & Provisions Current Liabilities	3	5618.00 5618.00	
Net Current Assets			817182.00
Miscellaneous Expenditure	4	•	177200.00
Profit & Loss Account			5618.00
-	· 		1000000.00
Notes to the Accounts	6		

As per our report of even date For Nath & Hari

Chartered Accountants

(Kailash Hari) Partner

Place:- Delhi

Date:- 27th June, 2008

For and on Behalf of the Board

R.L.Gupta (Chairman)

Naveen Gupta (Director)



PROFIT & LOSS ACCOUNT FOR THE PERIOD FROM 1ST FEBRUARY, 2008 TO 31ST MARCH, 2008

SCHEDULE	GURRENT YEAR
ŚCHEDULE .	-AMOUNT

INCOME

Income from operation		•	0.00
			0.00
			•
EXPENDITURE			
Administration Expenses	- 5	•	5618.00
TOTAL (RS.)			5618.00
Profit/(Loss) before tax			. (5618.00)
Provision for Tax			0.00
Profit/(Loss) after Tax	•		(5618.00)
Balance profit/(loss)carried to Balance Sheet			(5618.00)

Notes to the Accounts

As per our report of even date For Nath & Hari Chartered Accountants

(Kailash I-Iari) Partner

Place:- Delhi .

Date:- 27th June, 2008

For and on Behalf of the Board

R.L.Gupta (Chairman)

Naveen Gupta (Director)





SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2008

SCHEDULE '1' SHARE CAPITAL Authourised 10,00,000 Equity Shares of Rs.10/- each			10000000.00
Issued subscribed & Paid up 1,00,000 Equity Shares of Rs.10/- each fully paid up		君美	1000000.00
		•	1000000.00
SCHEDULE '2' CASH & BANK BALANCES Cash in Hand			822800.00 822800.00
SCHEDULE '3' CURRENT LIABILITIES Other Liabilities			5618.00
Other Liabilities			5618.00
SCHEDULE '4' MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted) Preliminary Expenses	•		177200.00
•			177200.00

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE PERIOD 1ST FEBRUARY 2008 TO 31ST MARCH, 2008.

			CURRENT YEAR
SCHEDULE '5' ADMINISTRATIVE EXPENSES	•	. *	
Audit Fee			5618.00
,			5618.00



SCHEDULE 6

NOTES TO THE ACCOUNTS

- 1. Significant Accounting Policies
 - a) The financial Statements have been prepared in accordance with the generally accepted accounting principles.
 - b) Accrual method of accounting is followed with regard to income and expenses.
 - c) No provision for gratuity has been made by the company for the financial year.
 - d) Preliminary expenses are to be written off over a period of 5 years from the year of Operation.
 - e) The Company's policy is to treat tax expenses for the year comprising current tax and deferred tax, in the determination of the net profit/loss for the period. However as per Para 15 to 18 of AS-22, the Company is virtually not certain of the fact, whether future taxable income will be available against which deferred tax asset can be realized. Thus the Company has not created any deferred tax asset and shall do the same when it is certain that deferred tax asset can be realized.
- 2. This is the first accounting year of the Company, so there are no previous year's figure.
- 3. Auditor's remuncration consist of audit fee of Rs. 5618/-
- 4. Additional information pursuant to para 3,4c & 4d of part-II of schedule-VI of the Companies Act 1956 is not given as the same is not applicable.
- 5. Schedule No. 1 to 6 form an integral part of the accounts and have duly been authenticated.

As per our report of even date

For Nath & Hari Chartered Accountants

(Kailaşh Hari) Partner

Place:- Delhi

Date: - 27th June, 2008

For and on Behalf of the Board

R.L.Gupta (Chairman)

Naveen Gupta (Director)





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IEC SOFTWARES LTD.

Registered Office: 5, Sant Nagar, East of Kailash, New Delhi -110 065

FORM OF PROXY

I/We	of	·
	in the district of	
being a member(s) of the above named Cor	mpany, hereby appoint Mr./Mrs.	i .
	in the district of	
or fa	iling him/her, Mr/Ms.	
of	in the district of	
as r the Company to be held on Wednesday, th Vihar, Lodhi Road-110 003 or at any adjour	he August 6, 2008 at 10.00 a.m. at Sri Sathya S	ehalf at the Fourteenth Annual General Meeting o Sai International Centre, Institutional Area, Praga
Signed this	day of 2008	Affix
No. Of Shares held Regd		Revenue
Signature(s) Client	ID No.	Stamp
	the stamp as per specimen signature(s) registe e Registered Office of the Company not less	ered with the Company. than 48 hours before the time fixed for holding th
Registered (IEC SOFTWARES LT Office: 5, Sant Nagar, East of Kailash, N	
	ATTENDANCE SLIP	
		Company to be held on Wednesday the August 06 i Vihar, Lodhi Road, New Delhi 110003 or at an
Full Name of the Member (in block letters	· · · · · · · · · · · · · · · · · · ·	
Registered Folio No.	Client ID No	
Full Name of Proxy (in block letters)		(for Demat Shareholders)
	·	

- Please complete this Attendance Slip and hand it over at the entrance of the venue of the meeting for verification.
- Only members or their proxies with this Attendance Slip will be allowed to attend the meeting.

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