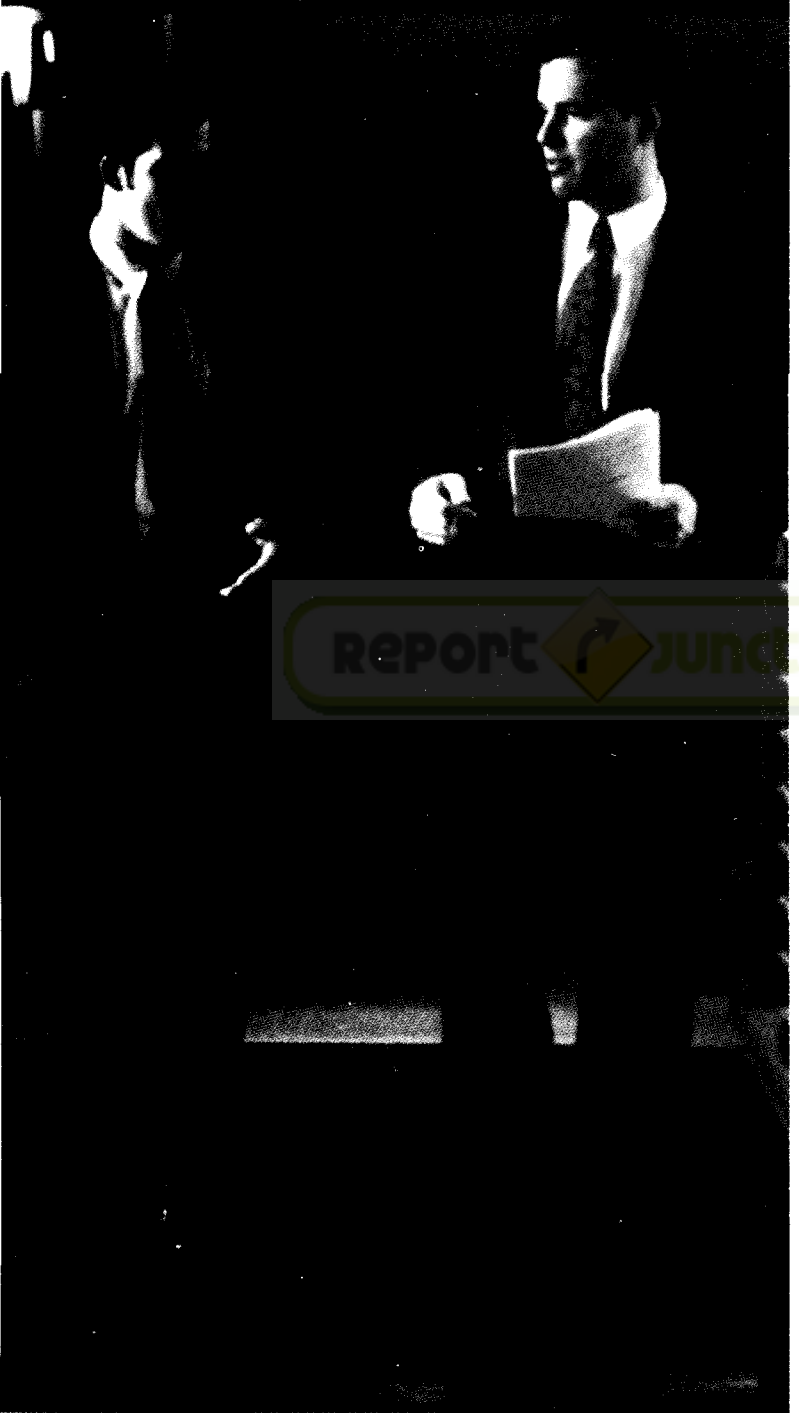
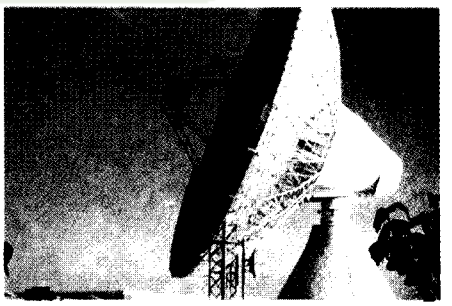
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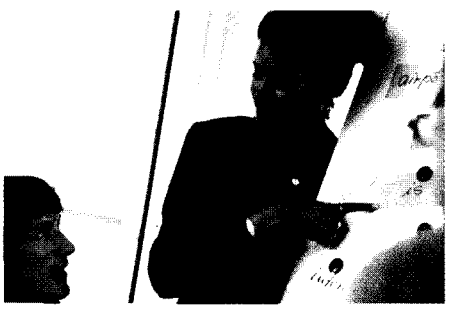
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11th ANNUAL REPORT
FOR THE YEAR ENDED 31st MARCH 2005

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2004-2005

for the year ended 31st March 2005

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IEC SOFTWARES LTD.

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IEC SOFTWARES LTD

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11th Annual Report
2004-2005

Board of Directors

Chairman
Padma Bhushan Sh. G.L. Tandon

Whole Time Directors
Col. Sanjiv Mehta
Mr. L.C.Goel

Non-Executive Directors
Brig. S.V.S. Chowdhary (Retd.)
Mr. R.L.Gupta
Mr. Navin Gupta
Mr. Mukesh Gupta
Mr. Kailash Nath
Mr. H.K.Gupta

Company Secretary
Ms. Shweta Sharma

Bankers
Central Bank of India

Auditors
M/s Nath & Hari, Chartered Accountants

Regd. & Head Office:
IEC HOUSE, M-92, Connaught Place, New Delhi - 110001

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SOFTWARES LTD

COMMITTEES OF BOARD OF DIRECTORS

Audit Committee
Brig. S.V.S. Chowdhary, Chairman
Mr. Kailash Nath, Member
Mr. H. K. Gupta, Member

Shareholder's Committee
Mr. Kailash Nath, Chairman
Brig. S. V. S. Chowdhary, Member
Mr. Mukesh Gupta, Member
Mr. H.K.Gupta, Member

Remuneration Committee
Brig. S.V.S. Chowdhary, Chairman
Mr. Kailash Nath, Member
Mr. Navin Gupta, Member

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NOTICE

Notice is hereby given that the Eleventh Annual General Meeting of the members of IEC Softwares Ltd. will be held on Monday, September 26, 2005 at 10.00 a.m. at Shah Auditorium, 2, Raj Niwas Marg, Delhi - 110 054 to transact the following business;

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March'2005 and Profit and Loss account for the year ended on that date alongwith the Directors' Report and Auditors' Report thereon.

2. To consider and appoint a Director in place of Brig. S.V.S Chowdhary, who retires by rotation and being eligible offers himself for re-appointment.

3. To consider and appoint a Director in place of Mr. Navin Gupta, who retires by rotation and being eligible offers himself for re-appointment

4. To consider and appoint a Director in place of Mr Kailash Nath, who retires by rotation and being eligible offers himself for re-appointment.

5. To appoint auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration. M/s Nath & Hari, Chartered Accountants, the retiring Auditors, being eligible offer themselves for re-appointment.

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LATER THAN FOURTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

2. Shareholders seeking any information with regard to the accounts are requested to write to the Company at an early date but not later than 48 hours before the scheduled time of holding the AGM so as to enable the Management to keep the information ready.

3 Members/Proxies should bring the attendance slip duly filled in for attending the meeting.

4. Shareholders are requested to kindly bring their copies of Annual Report to the meeting.

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Information required to be furnished under the Listing Agreement.

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

1. **Name:** **Brig. S.V.S Chowdhary (Retd.)**

Age: 72 years
Qualifications: B.Sc (Hons.), M.Sc Chartered Engineer
Brief 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.

Director of the Company since 1st April 1995.

Other Directorship

Name of the Company	**Position held**
IEC Info Telecommunications Ltd.	Director
Vocational Educational Foundation	Member
Netcomm Lab(P) Ltd.	Chairman

2. **Name:** **Mr. Navin Gupta**

Age: 34 years
Qualifications: B.A,
Considerable experience in Finance and Marketing.

Director of the Company since 23rd August, 1994

Other Directorship

Name of the Company	**Position held**
IEC Leasing and Capital Management Ltd.	Director & Member
IEC Info Telecommunication (India) Ltd	Director
Vocational Education Foundation	Secretary
P.D Memorial Sanstha	President

3. **Name:** **Mr. Kailash Nath**

65 Years
M.Sc, L.L.B

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Brief Profile:	He had a lot of work experience at various level in various Government Department. He has joined as officer in 1962. Since then had worked in various Government Departments, including Ministry of Urban Development, Ministry of Agriculture and Personnel, Public Grievances and pensions. He has a vide exposure in technical as well as administrative fields. He was holding the position of Head of the Office and Chief Executive Officer for several years under Grih 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 since 1st March 2003	
Other Directorship	**NIL**

6. The register of members and share transfer books of the Company will remain closed from 21nd September 2005 to 26th September 2005 (both days inclusive).

7. Members are requested to quote their registered folio/Client ID number in all correspondence with the Company and notify the Company immediately of change, if any, in their address.

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

Date: 17.08.2005
Place: New Delhi

Shweta Sharma
Company Secretary

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Directors' Report

Your Directors take pleasure in presenting the Eleventh Annual Report along with the Audited Statement of Accounts for the financial year ended March 31, 2005.

FINANCIAL RESULTS (Rs. in lacs)

	Year ended 2005	Year ended 2004
Income from Operations	1213.81	1234.70
Other income	17.94	39.79
Total Expenditure	1045.16	1813.54
Interest	24.45	24.12
Gross Profit/(loss) after Interest But before Depreciation & Tax	162.14	(563.04)
Depreciation	240.70	258.81
Provision for Taxation	NIL	NIL
Deferred Tax Liability/(-)Asset	(18.08)	61.37
Profit/(loss)	(60.48)	(760.48)
Profit b/f	(907.47)	(146.99)
Profit/(loss) transferred to Balance Sheet	(967.95)	(907.47)

BUSINESS OPERATIONS

"Current Scenario"

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

The Loss incurred by the Company during its lean period was due to blockage of huge chunk of money in Delhi government, for which we are now hopeful, that at least a position of the sum due would be released in near future.During the year the Company earned cash profit(before tax) of Rs.178.37.

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To facilitate pulling out of the "red", your Company has not only maintained a healthy profile in servicing the contracts of computer education in Govt. schools and colleges of Rajasthan but has also been able to renew the prestigious contract of computer education in the Govt. Colleges of Madhya Pradesh for one year.

The computer education and training project in the Govt schools of NCT, CEP-I and II has been completed

"Future Plan"

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

With respect to new business, all our efforts are being made to make ingress into new areas as stated earlier and you can certainly look forward, hopefully to a better tomorrow.

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"Financial Performance"

During the year commencing from 1st April 2004 till 31st March 2005, the Company has recorded a Total Revenue of Rs. 1231.75 Lacs as against the total revenue of Rs. 1274.62 Lacs during the previous year.

Although the total revenues of the Company during the year has shown marginal decline of 3.36% but the Company's Bottom Line has shown substantial improvement consequently the Company has suffered meager Loss of Rs. 60.48 Lacs against loss of Rs.760.47 Lacs during the previous year.

The Company during the year has concentrated to become a Debt free Company and in its endeavor have settled a Loan Account with Oriental Bank of Commerce (Erstwhile Global Trust Bank). The Company is presently negotiating with Central Bank of India and hopefully will settle its Loan Account by 2nd Quarter of 2005-06.

Your Company in the past Three 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 is able to pass this bad phase.

DIVIDEND

As the Company has suffered loss during the financial Year 2004-2005 . Your Directors do not recommend any dividend.

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