

## NOTICE

Notice is hereby given that the 26<sup>th</sup> Annual General Meeting of **DMC EDUCATION LIMITED** will be held on Thursday 30<sup>th</sup> September 2010 at 4.30 PM at Arya Public School, Raja Bazar, Connaught Place, New Delhi-110001 to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2010 and the Profit and Loss Account for the period ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Dr. Prem Kumar Awasthi who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint **M/s M.K. Goswami & Co., Chartered Accountants**, 1<sup>st</sup> Floor, 4/8, Asaf Ali Road, New Delhi-110002 as Auditor from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and authorize the Board to fix their remuneration.

### **SPECIAL BUSINESS:**

#### **4. Appointment of Mrs. Saroj Gupta as Wholetime Director**

To consider and if thought fit, to pass with or without modification(s), the following Resolutions as an Ordinary Resolution:

**Resolved** that pursuant to the provisions of Sections 198, 269 and 309 read with Schedule XIII of the Companies Act, 1956 and the Articles of the Association of the Company, and other applicable provisions, if any, Mrs. Saroj Gupta, be and is hereby appointed as Whole Time Director of the Company for a period of 5 years with effect from 1<sup>st</sup> October 2010 at a consolidated salary of Rs.1,00,000/- (Rupees One Lac Only), whether paid as salary, allowance(s), perquisites or a combination thereof provided that the following perquisites will not be included in the aforesaid remuneration:

- a. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961;
- b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- c. Encashment of leave at the end of tenure,

Provided further that payment/re-imbusement of telephone and/ or mobile phone(s) bills, conveyance, fuel expenses or other out of pocket expenses incurred in course of the official duties will not be included in the aforesaid remuneration.

**Resolved further that** in the event of loss, absence or inadequacy of profits, the aforesaid remuneration shall be the minimum remuneration.

#### **5. Appointment of Mr. Babu Lal Vijay as Director**

To consider and if thought fit, to pass with or without modification(s), the following Resolutions as an Ordinary Resolution:

**RESOLVED THAT** pursuant to the provisions of Section 257 and other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of shareholders in general meeting, Mr. Babu Lal Vijay, who was appointed as an Additional Director in the meeting of the Board of Directors held on 4<sup>th</sup> May, 2010 whose term expires at the ensuing Annual General Meeting of the company and for the appointment of whom the Company has received a proposal for the office of the Director be and is hereby appointed as a Director of the Company whose period of office will be liable to determination by retirement of directors by rotation."

#### **6. Issue of Convertible Debentures to HT Media Limited**

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

**RESOLVED THAT** pursuant to the provisions of section 81(1A) of the Companies Act, 1956, the SEBI (Issue of capital & disclosure requirement) regulation 2009, Listing Agreement entered into by the Company with the Stock Exchanges where the shares of the Company are listed, the Foreign Exchange Management Act, 1999, guidelines issued by the Reserve Bank of India or other competent authorities in this behalf, the Memorandum & Articles of Association of the Company and other applicable provisions, if any, and subject to all such approvals, permissions and sanctions, as may be necessary or required, the consent of the Members of the Company be and is hereby given and the Board of Directors of the Company be and is hereby authorised to offer, issue and allot up to 1,50,000( One Lakh & Fifty Thousand only) fully Convertible Debentures of Rs.100/- fully paid-up, aggregating to Rs. 150,00,000 to HTML on a preferential basis based as per the terms and conditions given in the Explanatory Statement annexed to this notice, which, inter alia, include :

Sl. No	Name	No. of Debentures proposed to be allotted	Category of Investor
1	HT Media Limited	1,50,000	Strategic Investor
<b>Total</b>		<b>1,50,000</b>	

Resolved further that for the purpose of issue and allotment of the Zero% Fully-convertible Debentures of the Company having a par value of Rs 100/- (Rupees One hundred only) per Debenture and its Conversion into Equity Shares with a face value of Rs. 5/- at a premium decided as per SEBI (Issue of Capital and Disclosure Requirements) Regulation 2009 at the end of 1 (one) year from the date of allotment of such debentures and listing thereof with the Stock Exchange(s), the Board of Directors be and is hereby authorized to do and perform all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, desirable or appropriate to give effect to this resolution in all respects and in particular to settle any questions, difficulties or doubts that may arise with regard to the offering, issuing, allotting and utilizing the issue proceeds of the Equity shares of the Company, as in the absolute discretion, deem fit and proper.

**RESOLVED FURTHER THAT** the Equity shares so issued and allotted upon conversion of Fully Convertible Debentures shall rank pari passu with the then existing Equity shares of the Company in all respects including dividend.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers conferred by this resolution on it, to any Committee of Directors or the Chairman or any other Director(s) or officer(s) of the Company to give effect to the aforesaid resolution.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board be and is hereby authorised to agree, make and accept all such term(s), condition(s), modification(s) and alteration(s) as it may deem fit, including, condition(s), modifications(s) and alteration(s) stipulated or required by any relevant authorities or by their bye-laws, rules, regulations or guidelines, and the Board is also hereby authorised to resolve and settle all questions, difficulties or doubts that may arise in regard to such offer, issue and allotment, to finalise and execute all agreements, documents and writings and to do all acts, deeds and things in this connection and incidental as the Board in its absolute discretion deem fit without being required to seek any further consent or approval of the Company or otherwise to the end and intent that they shall be deemed to have given approval thereto expressly by the authority of this

Date: 4<sup>th</sup> September 2010  
Place: New Delhi

By Order of the Board  
of DMC Education Limited

Sd/-  
Sham Sunder Gupta  
Managing Director

## NOTES

- 1. APPOINTMENT OF PROXY: A MEMBER WHO IS ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF /HERSELF AND THE PROXY NEED NOT BE MEMBER OF THE COMPANY. PROXY**

**PROXY FORMS SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE MEETING.**

- 2. Corporate Members:** Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing the representatives to attend and vote at the Annual General Meeting.
3. The Explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956 setting out all the material facts in respect of Item Nos.4,5, 6 of the Notice is attached.
4. Members /Proxies are requested to bring their copy of A.G.M Notice to the Meeting.
5. The register of members and share transfer books of the company will remain closed from 26<sup>th</sup> September 2010 to 30<sup>th</sup> September 2010 (both days inclusive).
- 6. Queries of the AGM:** Queries proposed to be raised at the Annual General Meeting may be sent to the Company at its registered office at least 7 days prior to the date of AGM to enable the management to compile the relevant information to reply to the same in the meeting.

7. **Inspection of Documents:** Copies of Memorandum and Article of Association of the Company and all other documents referred to in the notice etc., shall be open for inspection at the Registered office of the company on any working days except Saturdays between 11 A.M. To 2 P.M. up to the date of AGM and also at the Annual General meeting venue during the meeting. The Register of Directors' Shareholding, maintained under section 307 of the Companies Act, 1956, shall be available for inspection by the members at the Annual General meeting venue during the meeting.

8. Members /Proxies are requested to produce the enclosed attendance slips duly filled and signed as per the specimen signature recorded with the company for admission to the Meeting Hall.

Members who hold shares in de-materialized form are requested to bring their client ID and DP ID Numbers for easier identification for their attendance at the meeting.

9. **Address Change Intimation:** Members are requested to intimate the change of address immediately to the company or its Share Transfer Agent. In case their shares are held in dematerialized form, this information should be passed on to their respective Depository Participant without any delay.

10. In all correspondence with the Company, members are requested to quote their account/folio numbers and in case their shares are held in dematerialized form, they must quote their client ID and DP ID Numbers.

#### INFORMATION PURSUANT TO CLAUSE 31 OF THE LISTING AGREEMENT

Name and Addresses of the Stock Exchange at which the Company's shares are listed

- Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001.  
It is hereby confirmed that the Company has paid the Annual Listing Fee to the Bombay Stock Exchange.
- Delhi Stock Exchange Limited, Delhi, DSE House, 3/1 Asaf Ali Road, New Delhi-110002.  
The Company has not paid the Annual Listing Fee to the Delhi Stock Exchange.

#### Details of Directors Seeking Reappointment at Annual General Meeting

##### PARTICULARS

Name	<b>Dr. P. K. Awasthi</b>
Date of Birth	06/04/1944
Date of Appointment	20/07/2006
Qualification	Ph.D. & MBA
Expertise	Marketing and management skills

##### PARTICULARS

Name	<b>Saroj Gupta</b>
Date of Birth	18/11/1958
Date of Appointment	06/10/2009
Qualification	B.A., B. ed
Expertise	Business Administration and management skills

##### PARTICULARS

Name	<b>Babu Lal Vijay</b>
Date of Birth	22/07/1957
Date of Appointment	04/05/2010
Qualification	POST GRADUATE IN BUSINESS ADMINISTRATION & A QUALIFIED
Expertise	Entrepreneurial and Commercial skills

Date: 4<sup>th</sup> September 2010  
Place: New Delhi

By Order of the Board  
of DMC Education Limited

Sd/-  
Sham Sunder Gupta  
Managing Director

**ANNEXURE TO THE NOTICE**

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

**ITEM NO. 4**

Mrs. Saroj Gupta was co-opted on the Board of Directors of the Company as an Additional Director on 06<sup>th</sup> October 2009. Since the date of appointment, Mrs. Saroj Gupta is actively involved in the Education business of the company. She has more than 10 years of experience in the Education sector. Keeping in view the vast experience of Mrs. Gupta in Education sector, the Board in its Board meeting held on 04<sup>th</sup> September 2010 decided to appoint her as a Whole Time Director w.e.f. 1<sup>st</sup> October 2010 for a period of five years from the said date subject to approval of Shareholders. The Board proposes to appoint her as Executive Director in the ensuing AGM on the terms and condition as mentioned in the Notice with or without modification. Accordingly, the resolution is placed before the members for their consideration and approval. The Board recommends the proposed resolution for adoption in the larger interest of the Company.

None of the directors except Mrs. Saroj Gupta and Mr. Sham Sunder Gupta are interested and concerned in the proposed resolution.

**ITEM NO. 5**

Mr. Babu Lal Vijay was appointed as an Additional Director of the Company with effect from 4<sup>th</sup> May, 2010, 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. Babu Lal Vijay for the appointment as Director of the Company. Mr. Babu Lal Vijay has filled with Company his consent to act as a Director.

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

None of the Directors of the Company are concerned or interested in the Resolution except Mr. Babu Lal Vijay

**ITEM NO. 6**

The Company has an ambitious growth plan and expects significant growth in its business of education sector. For this there is a need to create a strong brand. The brand building activities coupled with our first mover advantage would aid in building a lasting and recognisable brand in the Education segment. Brand building exercise for the next couple of years requires huge amount of money to be spent on advertisements. In this endeavour, the company has forged an alliance with HT Media Ltd, wherein the Company will issue Zero Coupon Fully Convertible Debentures to HT Media Ltd. The amount so received will be utilized towards advertisements and brand building exercises.

The proposal is subject to the approval of the Members of the Company and other statutory approvals, if any. Since your Company is a listed company, the proposed issue is in terms of the provisions of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Reg. 2009 build, and other applicable provisions, if any. In terms of the provisions of the Companies Act, 1956, and the aforesaid SEBI Guidelines and Regulations, the relevant disclosures/details are given below:

**Instrument and Numbers:** The Company is proposing to issue up to 1,50,000 Zero% Fully-Convertible Debentures to HT Media Limited.

**Relevant Date:**

Relevant Date for the above will be the date 30 days prior to the date on which the holders of Zero %age fully convertible Debentures entitled to apply for the equity shares. As per the Debenture Subscription agreement, the holders will be entitled to apply for equity shares after the expiry of one year from the date of allotment of debentures.

**Issue Price:**

The Zero %age Fully Convertible Debentures are now issued at par value, i.e. Rs.100/-. The Fully Convertible Debenture will be compulsorily convertible into Equity Shares with a face value of Rs. 5/- each at the end of 1 (one) year from the date of allotment of such debentures to HT Media Limited and the pricing of the resultant equity shares will be determined as per SEBI (ICDR) Regulations 2009, which at present is as follows.

Higher of the

i) The average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange during the six months preceding the relevant date;

OR

ii) The average of the weekly high and low of the closing prices of the related shares quoted on a stock exchange during the two weeks preceding the relevant date,

OR

iii) Face Value

In case of change in SEBI (ICDR) Regulation relating to pricing of the equity shares in case of preferential issue. The company will follow the amended regulation prevailing at that time for calculation of issue price of the resultant equity shares.

**Payment:**

In terms of the provisions of the SEBI (ICDR) Regulation 2009, the payment shall be done by preferential issue of Fully Convertible Debentures.

**Particulars of the Allottee:**

Present preferential issue of debentures is proposed to be made to following strategic investors (the proposed Allottee) :

Sl. No.	Name and Address	Status
1.	HT Media Limited 18-20, Kasturba Gandhi Marg, New Delhi-110001	Strategic Investor

HT Media is a listed company and one of India's largest media companies that publishes news paper Hindustan Times in English & Hindustan in Hindi through its subsidiary Hindustan Media Ventures Limited. In addition HT Media also publishes a national business newspaper with presence in the key markets of Delhi, Mumbai, Bengaluru, Chandigarh, Pune and in Kolkata.

The company in a consulting partnership with Virgin Radio has launched the FM radio channel - Fever 104. Currently available in Delhi, Mumbai, Bengaluru and Kolkata. Internet businesses of HT Media incorporated under Firefly e-ventures, operate leading web portals Hindustantimes.com and livemint.com in the general and business news categories respectively.

**Pre-issue holding of the proposed Allottees:** The present shareholding of the proposed Allottees in the Issuer Company is given below:

Name of the proposed Allottees	No. of Shares held
HT Media Limited	0

The proposed Allottee have not sold any shares of the Company during the six months period prior to the relevant date.

**Post-issue holding of the proposed Allottees:**

As the issue price of the resultant equity shares cannot be determined at present, the post issue holding of the proposed allottee cannot be determined.

**Lock-in Period:**

The Debentures issued to the strategic investors on preferential basis shall be subject to a lock-in period of 1 year from the date of issue or such other period as may be prescribed in accordance with the SEBI (Issue of Capital & Disclosure Requirements) Regulations.

Further the entire pre preferential issue shareholding of the proposed allottees shall be under lock-in from the relevant date up to a period of six months from the date of issue of shares to the proposed allottee(s) or such other period as may be prescribed in accordance with the SEBI guidelines. However, there is no prior shareholding of the proposed allottees.

**Intention of promoters/directors/key management persons to subscribe:** No promoters/directors/key management persons intend to subscribe to the present preferential issue of Debentures.

**Pre-issue & Post-issue Shareholding Pattern of the Issuer Company:**

As the issue price and number of resultant equity shares will be decided after one year from the date of allotment of Zero %age Fully Convertible Debentures, the post issue share holding cannot be given at present point of time.

**Objects and purpose of the Preferential Issue**

The Company is into education sector and for long term sustainability, the company wants to create a strong presence in the market and for this purpose company will spent the entire issue proceeds for advertisement and brand building.

**Proposed time of Allotment**

The allotment of shares in the present preferential issue will be made within a period of 15 days from the date of passing of the aforesaid Special Resolution in the present AGM excluding the time taken in obtaining the necessary approvals, if any, or within such further period as may be prescribed or allowed by the SEBI, stock exchange(s) or other concerned authorities.

The Statutory Auditors of the Company has certified that the present preferential issue of Debentures, on the above terms and conditions, is in accordance with the requirements contained in the SEBI(Issue of Capital & Disclosure Requirements) Regulations, as amended up to date. The Auditors' Certificate shall be laid before the AGM.

In terms of the provisions of the Companies Act, 1956, the consent of members by way of a special resolution is required. Your Directors recommend the resolution.

The Board recommends the resolution for adoption by the members.

None of the Directors except the Promoters Directors of the Company is interested or concerned in the proposed resolution.

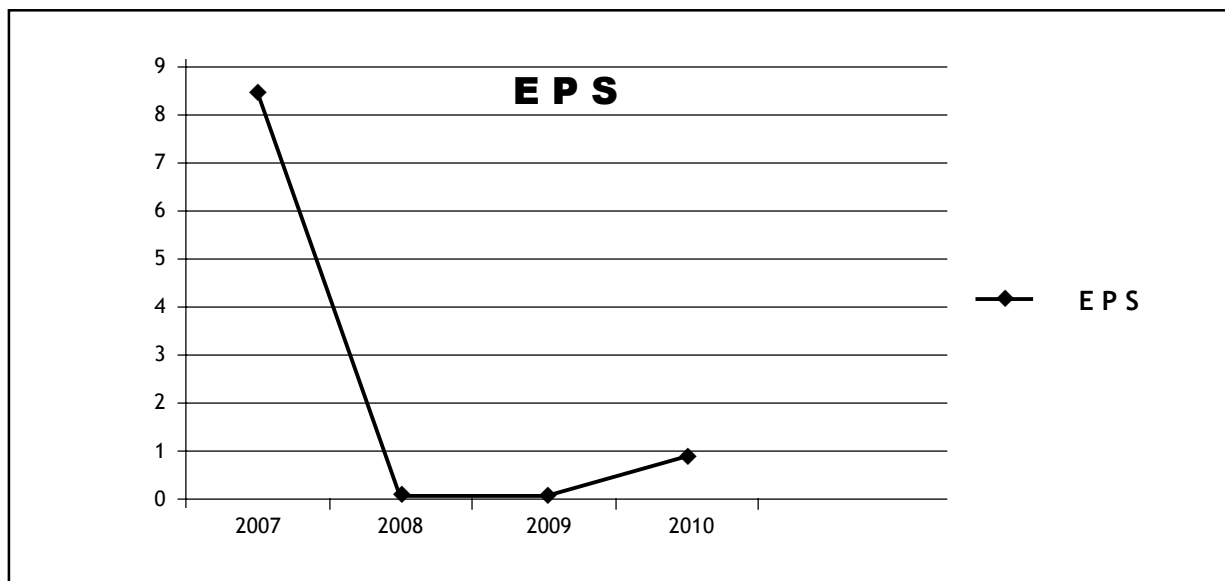
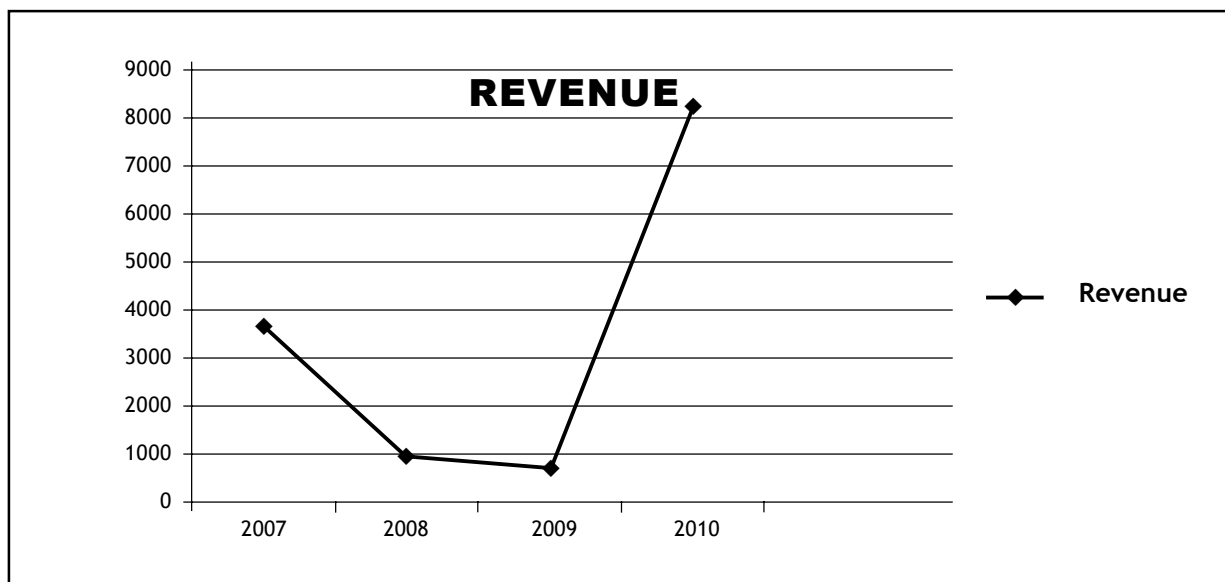
**DIRECTOR'S REPORT**

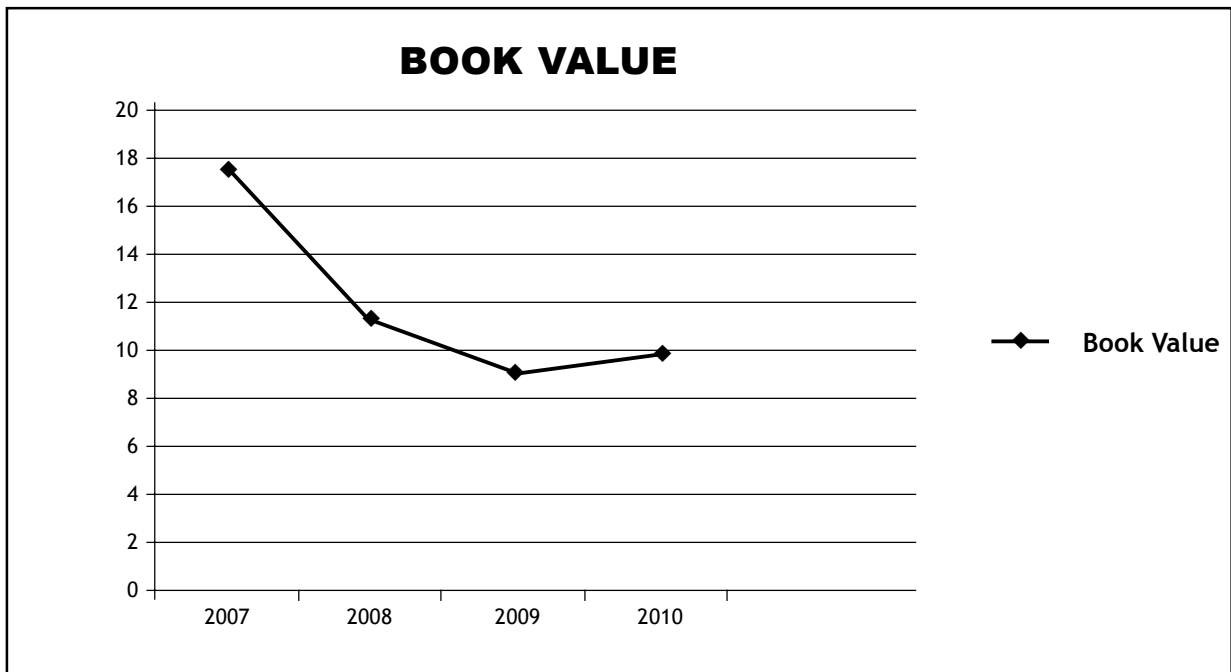
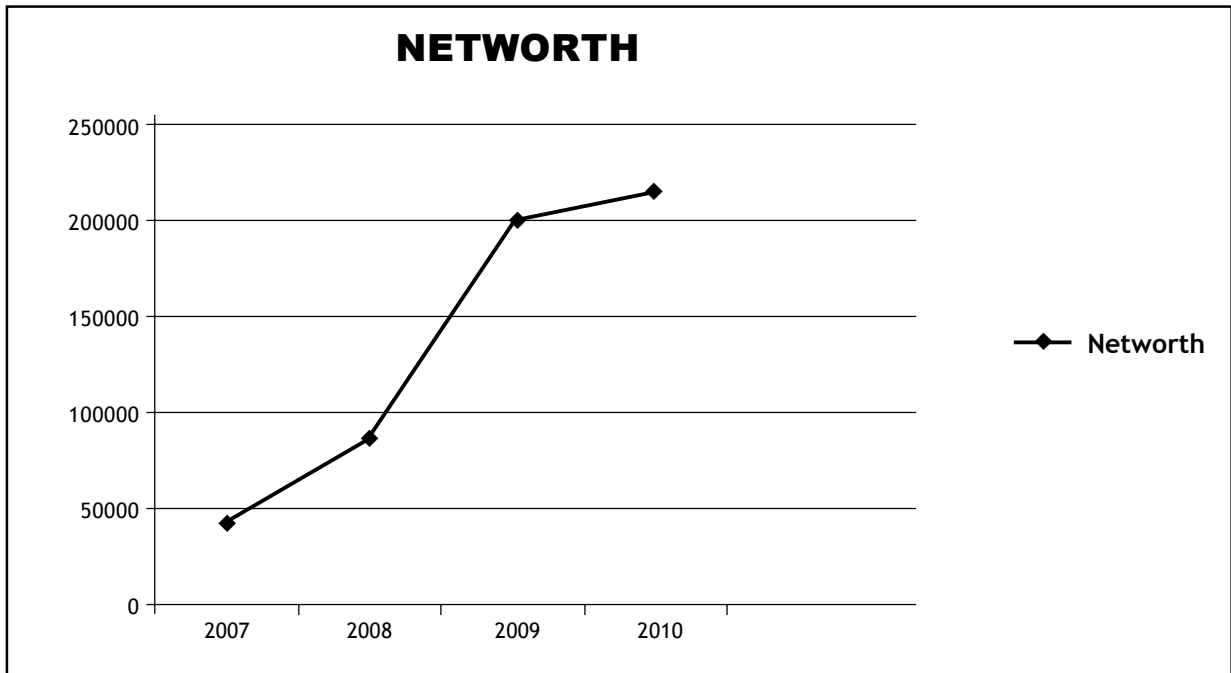
The Members of **DMC Education Limited**,

Your Directors have pleasure in presenting the Director's Report of the company together with the Audited Statement of Accounts for the Financial Year ended March 31, 2010.

**FINANCIAL RESULTS:**

Particulars	Current Year Amount (Rs. In Lacs)	Previous Year Amount (Rs. In Lacs)
Total Income	830.90	78.75
Profit Before Tax	232.69	11.98
Less: Provision for Tax	53.04	2.53
Profit after Tax Adjustment	179.64	9.45





**PERFORMANCE PREVIEW :**

Total income for the year was Rs. 830.90 Lacs (Previous Year Rs. 78.75 Lacs). Profit for the year was Rs. 232.69 Lacs (Previous Year Rs. 11.98 lacs) but after making adjustment for the tax the net profit is Rs. 179.64 Lacs against a net profit of Rs. 9.45 Lacs in the previous Year.

**DIVIDEND :**

Your Company's Directors do not recommend any dividend to the Shareholders of the Company for the Financial Year 2009-2010.

**CHANGE OF NAME :**

The Company is completely into education business. In order to reflect the name of the company in accordance with the business presently carried on, the Company through postal ballot changes its Main Object as well as the name of the company. The present name completely reflects the business activities of the company.

**BUSINESS OPERATION REVIEW :**

**TAKEOVER OF TRUMP & GATES**

The Company has Taken over TRUMP & GATES for the Cash consideration of INR 56.5 Million. Trump & Gates is a Delhi based 10 year old, ISO 9001-2008 Certified Test Preparatory Institute providing specialized training for various entrance and main examinations such as Actuarial Science, GATE, IES, PSU, MBA (CAT for IIMs), GRE, GMAT, IELTS, TOEFL etc.

**ACQUISITION OF VSOFT SERVICES PRIVATE LIMITED BY THE COMPANY**

The management of the Company has entered into an agreement with the shareholders of Vsoft Services Private Limited for acquisition of 100% Shareholding of the Company and also change in management of Vsoft Services Private Limited. Vsoft is 14years old Mumbai based Indian Language software Development Company. The total takeover consideration fixed at Rs. 1,50,00,000/- . DMC paid the entire takeover consideration by preferential allotment of 5,00,000 equity shares of Rs. 5/- at a premium of Rs. 25/- each subject to compliance of SEBI (Issue of Capital & Disclosure Requirement, 2009)

**QUEST TUTORIALS**

The company has proposed to merge Quest Tutorials. Quest initiated "Power Coaching for IITJEE", a unique system of IITJEE preparation that maximizes student performance by synchronizing studies with Class 11/12.

**SUBSIDIARIES :**

At present the Company has one subsidiaries company, DMC Institute of Employability Skills Private Limited.

**ALLIANCES AND STRATEGIC TIE-UPS :**

**TECHNOLOGY PARTNERSHIP WITH BALLISTIC LEARNING**

M/s. Ballistic Learning Pvt. Ltd., one of the prominent e-learning solutions and services providers in India as its Technology partner for its Educational Division.

Ballistic Learning will provide DMC the following solutions and services to cater to its target audiences in India and overseas:-

1. Learning Management System
2. Content Management System
3. Integration of e-tutoring system
4. E-Learning content development advisory
5. E-Learning advisory
6. Managed hosting
7. Support and Maintenance

**STRATEGIC TIE-UP WITH AOC**

The Company has entered into an agreement with ACADEMY OF COMMERCE STUDIES PRIVATE LIMITED, one of the prominent education company in North India for opening of Trump & Gates Centers and other verticals of the Company in various locations. Apart from infrastructure uses, both parties will also share marketing resources, network of each other for business development and also the technology acquired/developed by each other. This will increase the synergy of operation between two companies. Academy of Commerce (AOC) has been a pioneer in CA education. After 28 years of excellence it is now considered to be a premier institute for all levels of training. The institute has benefited more than 65,000 students, producing top rank holders of India every year. AOC believes in delivering knowledge solutions with respect to a career driven approach of learning. The academy focuses on shaping students to become world-class CA professionals enabling them to choose from a range of career options that are available. AOC prescribes performance based sessions divided in modules which are regularly upgraded to suit the standards of the Institute of Chartered Accountants of India (ICAI). AOC gives them the advantage to specialize in different areas with concrete expertise. AOC trains students



to have a strong base of fundamentals. AOC understands the need of consistent result-oriented education and thus provides complete and assured standards of excellence.

#### **FUTURE EXPANSION - FRANCHISEE MODEL :**

As a part of expansion strategy, the company is planning to set-up franchisee network all over India. Through the franchisee network, the company will offer its existing coaching. For this purpose and to ensure uniformity of delivery, the Company also entered into a Business Solution Agreement with Aurus Network Infotech Private Limited. Aurus through its flagship product "DG-Eye Connect" will connect studio classrooms to multiple learning centers, for live lecture recording and streaming, along with two way audio/video/text interaction.

#### **PARTICULARS OF EMPLOYEES :**

None of the employees of your company were drawing emoluments exceeding the limits prescribed under section 217 (2A) of the Companies Act, 1956, read with the Companies (Particular of Employees) Rules, 1975 during the year.

#### **DEPOSITS :**

The Company has not accepted or renewed any sort of deposits during the Financial Year 2009-10 under section 58A and 58AA of the Companies Act, 1956.

#### **CORPORATE GOVERNANCE :**

The Board of Directors supports the principles of Corporate Governance. In addition to the basic governance issues the board lays strong emphasis on transparency, accountability and integrity. Your company strives for excellence with the objective of enhancing the shareholders' value. We ensure the practice of Corporate Governance in your esteemed company. All function is discharged in professionally sound, competent and transparent manner.

A detailed report on the company's efforts at the adopting principles of corporate Governance as prescribed under the clause 49 of the listing agreement is produced as part of the Annual Report.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION :**

Since the Company has not carried on the Business, which requires the particulars to be set out as prescribed under section 217 (1)(e) of the Companies Act, 1956 read with the companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1998 in the Director's report, the same provision is not applicable.

#### **COMPANY SECRETARY :**

As per the requirement of Section 383A, the Management of the Company is trying to appoint a Company Secretary but Company has not found a suitable Candidate for the office of Company Secretary. Hence the company's Balance Sheet for the Financial Year ended 31<sup>st</sup> March 2010 has not been authenticated by the Company Secretary.

#### **FOREIGN EXCHANGE EARNING AND OUTGO :**

The company has not earned any foreign exchange from its business operation during the current year. There is no outgo of foreign exchange during the year 2009-10.

#### **DIRECTORS' RESPONSIBILITY STATEMENT :**

Pursuant to the provisions of sub - section (2AA) of Section 217 of the Companies Act, 1956, your Directors hereby confirm:

(I) That in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(II) That the Directors had 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 as on 31<sup>st</sup> March, 2010 and of Profit of the company for that period.

(III) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and

(IV) That the directors had prepared the annual accounts on a going concern basis.

#### **DIRECTORS :**

In accordance with the Articles of Association of the Company P. K. Awasthi retire by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.

**AUDITORS :**

M/s M.K. Goswami & Co., Chartered Accountants Delhi, Statutory Auditors of the company retire at the conclusion of the Annual General Meeting and being eligible, offer themselves for re- appointment.

**AUDITORS REPORT :**

The Directors have gone through the Auditors reports and are in agreement with the same.

**REGISTRAR AND TRANSFER AGENTS :**

The work related to shares in Demat and Physical mode is done by Registrar and Transfer Agent of the Company: M/s Alankit Assignments Limited. 2E/21, Jhandewalan Extension, New Delhi-110055

**LISTING :**

The Equity Shares of Company are listed with Bombay Stock Exchange Limited (BSE Code-517973, Scrip ID-DMCINTER) and Delhi Stock Exchange Limited.

**CASH FLOW STATEMENT :**

As required under clause-31(2) of the Listing Agreement, a cash flow statement, as prepared in accordance with the Accounting Standard-3 issued by the Institute of Chartered Accountants of India, is given along with Balance Sheet and Profit and Loss Account.

**CAUTIONARY STATEMENT :**

Statement in this report, particularly those which relate to Management Discussion and Analysis describing the Company's objective, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results might differ materially from those expressed or implied in the statement depending on the circumstances.

**INTERNAL CONTROL SYSTEM :**

The company has a reasonable control system commensurate with its size and the nature of services provided by the company, which is being reviewed, periodically for more effectiveness. The company has an audit committee, which regularly reviews the internal audit observations and put corrective measures through justified actions.

**HUMAN RESOURCES DEVELOPMENT :**

The Company continues to enjoy cordial and warm relations with the employees and executives at all levels. It provides direction for the people working in the organization. Special training programs, workshops, seminars, etc. were continued during the year with a focus towards infusion of technical skill and quality consciousness in order to improve productivity, efficiency and quality.

**INDUSTRIAL RELATIONS :**

The industrial relation among all with in the organization was cordial. They maintained highest level of discipline and decency for the growth of the organization.

**GENERAL :**

The note forming part of the accounts being self-explanatory, the comments made by the auditors in their report are not required to be dealt separately.

**APPRECIATION :**

The Directors wish to place on record its appreciation for the continued co-operation extended by various Financial Institutions, Bankers, Govt. Departments and the members. The Directors also express their appreciation to the employees at all levels, for their dedicated services rendered to the Company.

Date: 4<sup>th</sup> September 2010  
Place: New Delhi

By Order of the Board  
of DMC Education Limited

Sd/-  
Sham Sunder Gupta  
Managing Director

Sd/-  
Saroj Gupta  
Director

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****1. OPERATING RESULTS OF THE COMPANY**

During the Financial Year under consideration the performance of the Company was satisfactory and there was an marked improvement. Net Profit for the year 2009-10 stood at Rs.1,79,64,951 /- as against profit of Rs 9,45,161/- in the year 2008-09. Furthermore the total turnover for the year ended March 31, 2010 stood at Rs. 8,30,90,138/-, as compared to Rs. 78,74,731/- Rs. For 2008-09.

**2. INDUSTRY STRUCTURE AND DEVELOPMENT****EDUCATION SECTOR REVIEW :****Test Preparation Segment**

India's already inadequate education system is being further stretched due to its increasing population. So much so that a \$6.4bn segment (64% of the total non formal IES; next only to K12 and HE) - coaching classes - has sprouted around formal IES. The market is rapidly growing as the Indian education system lays heavy emphasis on marks scored in an exam. A shortage of quality HEIs is further fuelling growth. This is evident in the fact that the number of seats in Indian IIMs (Indian Institutes of Management) has increased merely 3% (2003-2008) but the number of CAT aspirants has shown a CAGR of 19% in the same period.

The \$6.4bn coaching class market is growing at 25% led by a dearth of quality institutions in India and cut-throat competition for entry into professional colleges. Notably, 80% of the market lies in 'subject-based tutoring in schools and colleges' - and thus is highly dependent on local 'brand-teachers'. Despite its non-regulated nature, people-centric models make scalability onerous in the space and cap value creation. While the Grad and Post-Grad test prep market (\$1.2bn) offers limited scalability as it is more content-driven.

The Coaching Industry in India is broadly divided into three segments

The subject/ concept-based tuitions catering to K12 and HE segments (estimated at \$5.1bn), Graduation test preparation market (\$1.1bn) and Post Graduation test prep market (\$220m). Interestingly, players are also looking to provide coaching through online media - a model quite popular in the global markets, especially developed ones. The coaching class market is typically fragmented and regional in nature as a big chunk, i.e. tuitions (6th-12th grades and tertiary level), is subject-based and thus highly people-driven with high dependence on a local 'brand-teacher'. However, pockets like grad and post grad test prep are more process-driven as content assumes higher relevance than teachers, and content can be standardized across centers.

At \$5.1bn, the tuitions market forms 80% of the coaching class opportunity and is inherently difficult to scale. A highly fragmented market, the business is person-centric and individual teachers attached to schools/ colleges are much in demand. For exams held on a national level (10th, 12th and university exams at tertiary level), our interactions with industry players throw up instances of students moving enmasse to another coaching class, to follow the brand-teacher who has joined a particular institute. Thus, crowd-pulling ability in this segment rests with brand teachers (especially attached to schools/ colleges) and not brand-institutes. This, in turn, translates into lack of stability and scalability for coaching classes.

**Statistics on Test Preparation Market\***

Particulars	Total Students	% being Coached	Students Enrolled	Average Fees	Market Size(\$ m)
IIT-JEE	4,00,000	95	3,80,000	45,000	428
AIEEE	6,00,000	50	3,00,000	20,000	150
Engineering	11,20,000				632
SAT	5,000	50	2,500	30,000	2.00
CA	2,50,000	80	2,00,000	12,600	63
CAT	3,00,000	80	2,40,000	15,000	90
GATE	1,68,000	80	1,34,400	8,000	27
GMAT	15,000	80	12,000	20,000	6
GRE	40,000	95	38,000	8,000	8
IELTS	1,00,000	90	90,000	3,000	7
TOEFL	60,000	90	54,000	3,000	4

\*Source-IDFC SSKI Research Report

**Online tutoring market**

The phenomenon of online tutoring is very new in India. With 3Mn broadband connections (less than 1% penetration), India is way behind the global average. In the coming few years, penetration is expected to double as the national Broadband and Wireless Policy targets to bring 25m subscribers to the broadband fold by 2012.

While the coaching class market remains largely regional and highly fragmented, the Post Graduation test prep segment has seen emergence of a few national chains.

#### **Skill Development Initiative Sector**

- ❖ India has about 200 million unskilled employable people.
- ❖ Every year 12.8 million people enter the labour market in India.
- ❖ Only 2 - 4% of the population learns a skill or trade.
- ❖ Very little linkage between education and employment.
- ❖ Present economic growth is unsustainable if the work force does not acquire right skills to support a knowledge and technology driven industry.
- ❖ Time and again, industry has expressed concern over the shortage of skilled resources in India.

#### **The Current Status of the BFSI Sector**

- ❖ Stably growing at over 30 percent year after year.
- ❖ Financial sector is expanding across geographies and functionalities.

#### **Banking : The Current Status**

- ❖ Banking sector's asset size is about US\$ 500 billion with a network of over 1,00,000 branches.
- ❖ Banks offer a suite of services from retail to corporate banking and Industrial lending to investment banking.
- ❖ Only 7% of Indian population is using banking systems so still there is vast potential for growth and to expand the network.

#### **Personal Finance: The Current Status**

- ❖ Personal financial services emerging as the highest growth segment.
- ❖ Only 13% of Indians are using credit facility from organized sector and majority is left within the Private lenders.
- ❖ Foreign and domestic banks offer tailor-made products to tap the market potential.

#### **Insurance: The Current Status**

- ❖ Innovative insurance products and services in both, life and non-life segments are being launched.
- ❖ Foreign majors like New York Life, Aviva, Tokio Marine, Allianz, AIG and Sun Life have already set new standards in Indian market.
- ❖ Only 7 % of the Indian population is currently insured.
- ❖ Indian insurance market offers immense opportunities to new players.
- ❖ Insurance market has the potential to reach US\$ 10 billion In next few years.

#### **Capital Market: The Current Status**

- ❖ Capital markets are ranked among the mature markets of the world.
- ❖ Capital markets have over the years rewarded domestic and Foreign Institutional Investors (FIIs) with attractive returns.
- ❖ To sustain rapid economic growth, we need risk finance and Venture Capital (VC) funding combined with innovation and technology.
- ❖ Market is driven by a stable economy and new initiatives like e-commerce, particularly on-line trading and e-banking.

#### **Manpower Requirements for the BFSI Sector**

- ❖ Finance sector would need at least 3, 00,000 professionals in various ranks & profiles in next three years.
- ❖ Acute shortage of skilled manpower is affecting banks, insurance companies, brokerages and fund houses.
- ❖ Banking and Insurance sector have been increasing their employee-strength by around 20 % every year.
- ❖ Banking and Insurance industry currently employs about 3 million skilled manpower.
- ❖ Besides knowledge of accounting and bookkeeping tasks, finance professionals need to be techno-savvy, proficient in customer handling, sales and marketing.
- ❖ Professionals need to have effective communication skills, positive attitude at work place and much more.

#### **GOVERNMENT'S FOCUS ON SKILL DEVELOPMENT EDUCATION**

India as a nation is faced with massive problem of unemployment. The problem of unemployment has becoming a colossal. Various problems have caused this problem. There are individual factors like age, vocational unfitness and physical disabilities which restrict the people. External factors include technological and economic factors. There is enormous increase in the population. Every year India adds to her population afresh. More than this every year about 5 million people become eligible for securing jobs. Business field is subject to ups and downs of trade cycle and globalization. Economic depression or sick industries are often close down compelling their employees to become unemployed. Technological advancement contributes to economic development .But unplanned and uncontrolled growth of technology is causing havoc on job opportunities. The computerization and automation has led to technological unemployment. Strikes and lockouts have become inseparable aspect of the industrial world today. Our educational system has its own irreparable defects and its contribution to the unemployment is an open truth. Our education does not enhance the skills required for performing the Job. There is a huge mismatch in the skill required by the Industry and skilled people available in the market. The Formal education system failed to address the problem. Our State right from the beginning of Five year plans has introduced several employment generating schemes and programmes over the years but in the absence of proper implementation and monitoring have failed to achieve the required targets. The remedial measures for reducing unemployment may lay greater emphasis on enhancement of Industry need skill.

Ministry of Labour & Employment, Government of India through its program "Modular Employable Skills" (MES) under Skill Development Initiative Scheme is working for the improvement of employability skill of the young mass of India.

The Finance Minister in his Union budget 2010 speech suggested the restoration of Right of Children to Free and Compulsory Education Act, 2009 which formulates a legal agenda for privileges of children falling under the age group of 6 to 14 years. He also notified the achievements of Sarva Shiksha Abhiyan (SSA) launched by the government, in the field of education and improving infrastructure for basic education.

Mr Mukherjee suggested a monetary hike for elementary education to Rs.31, 036 crore in the current fiscal year against the previous Rs.26, 800 crore, in addition all states access to basic education with a grant of Rs.3, 675 crore for 2010-11.

There has been a mixed response from people on initiatives proposed by the Finance Minister in education sector. While some call it a balanced budget, others feel that the need for subsidizing corporate sector to train freshers has been ignored. According to corporate houses, the involvement of big firms in the graduate level education should have been listed in the agenda to trigger the employability of undergraduates. Moreover, the involvement of private industry in association with government should be encouraged to polish the skills of the students.

The response from students and business professionals has not been positive. They believe that higher education was completely ignored by the Finance Minister and more importance was given to elementary and basic education by allocating a 16% hike.

### 3. OPPORTUNITY :

Test preparation industry has grown out of little attractiveness of a selection of Actuarial students, GRE, GMAT, SAT, etc. There is tremendous courage towards GRE, GMAT, SAT, IELTS. Trump and Gates Institute, a group of experts, with experience in training & education aims at providing world class knowledge by well versed faculty.

#### Factors responsible for growth in the Education Industry:

- Various education markets with multi-crore 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.

#### Education is an ornament in prosperity & a refuge in adversity ~ Aristotle

The education industry in India is one of the most important to our nation yet least talked about as in investment. This is ironical given not just the numbers and importance of the sector but also given the fact that the corporate world and education are so closely connected. Current private equity funds are looking to make the most of the healthcare and education sectors in growing countries like India and China.

### 4. PROSPECT & OUTLOOK

The company presents the analysis of the company for the year 2009-2010 & its outlook for the future. This outlook is based on assessment of the current business environment. It may vary due to future economic & other developments, both in India and abroad. The company has entered into a strategic partnership with Quest Tutorials, one of the prominent IIT-JEE Preparatory Institutes of India. 'IITJEE/ AIEEE Coaching' is one of the largest segments in supplemental education, with an estimated market size of \$ 428 Million in India alone."

### 5. RISKS AND CONCERNS

The Company has take adequate preventive ad precautionary measures to overcome all negative factors responsible for low trend to ensure steady growth.

### 6. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

There are well-established procedures for Internal Controls for operations of the company & its subsidiary. The finance & audit functions are well equipped with professionally experienced qualified personnel & play important roles in implementing the statutory obligations. The company has constituted Audit Committee for guidance and proper control of affairs of the company.

### 7. HUMAN RESOURCES

Human Resources are highly valued assets at DMC Education Limited. The company seeks to attract, retain and nurture technical & managerial talent across its operations and continues to create, sustain the environment that brings out the best in our people with emphasis on training, learning & development. It aims at career progression and fulfilling satisfactory needs. Performance is recognized and rewarded through up gradation & job enrichment, performance incentives.

### REPORT ON CORPORATE GOVERNANCE

Corporate governance is a term that refers broadly to the rules, processes, or laws by which businesses are operated, regulated, and controlled. The term can refer to internal factors defined by the officers, stockholders or constitution of a corporation, as well as to external forces such as consumer groups, clients, and government regulations. The Corporate Governance is a key element in enhancing investor confidence, promoting competitiveness and ultimately improving economic growth.

The objective of Corporate Governance is “Enhancement of long term shareholders value and ensuring the protection of rights of the shareholders” and your company reiterates its commitment to good Corporate Governance.

#### **COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE**

The Company policy on Corporate Governance is attainment of the highest levels of transparency, accountability and equity in all facets of its operations. Good Corporate Governance therefore, embodies both enterprise (performance) and accountability (conformance).

#### **BOARD OF DIRECTORS**

The Board provides leadership and strategic guidance, objectively reviews management decisions and exercises control over the company. Your company is maintaining the independence of the board and company has the independent and Non-Executive directors. As on date of this report, the board of directors of the company consists of five members and it meets the requirement of the Clause 49 of the listing agreement.

The Board meeting is held in every quarter to review the financial results and discuss other issues. Besides the quarter, board meeting are also held whenever required. To conduct a board meeting the directors are informed by giving a notice in advance and the agenda of board meeting is also dispatched with the notice. The members of board also discuss each agenda in the meeting and take discussion after make a proper discussion and getting all members views. The board members are free to give their suggestions on any agenda item and can also submit their view for improving the performance of company.

During the year Ten Board Meetings have taken place on 22<sup>nd</sup> June 2009, 30<sup>th</sup> June 2009, 30<sup>th</sup> July 2009, 04<sup>th</sup> September 2009, 06<sup>th</sup> October 2009, 29<sup>th</sup> October 2009, 10<sup>th</sup> December 2009, 27<sup>th</sup> January 2010, 16<sup>th</sup> March 2010 & 31<sup>st</sup> March 2009.

#### **The composition of Board during the year as follows:**

<b>Name of the Director</b>	<b>Designation</b>	<b>Category</b>
Mr. Sham Sunder Gupta	Managing Director	Executive Director
Dr. Prem Kumar Awasthi	Chairman	Non -Executive & Independent
Mrs. Saroj Gupta	Director	Non -Executive Promoter
Mr. Dhruv Agarwal	Director	Non -Executive Promoter
*Mr. Ravi Sawlani	Director	Non -Executive & Independent

\* Resigned w.e.f. 29th October, 2009

#### **Details of attendance of each director at various meetings of the company are as follows:**

<b>Name of the Director</b>	<b>Designation</b>	<b>Category</b>	<b>No. of Board Meetings</b>	<b>Last AGM attended</b>
Mr. Sham Sunder Gupta	Managing Director	Executive Director	9	Yes
Dr. Prem Kumar Awasthi	Chairman	Non -Executive & Independent	8	Yes
Mr. Dhruv Agarwal	Director	Non -Executive Promoter	6	Yes
Mrs. Saroj Gupta	Additional Director	Non -Executive Promoter	4	No
Mr. Ravi Sawlani	Director	Non -Executive & Independent	5	Yes

#### **COMMITTEE OF DIRECTORS**

##### **AUDIT COMMITTEE:**

The audit committee constituted as per clause 49 of the listing agreement. The audit committee reviews:

- The audit procedure and techniques
- With the management external and internal procedures
- The adequacy of internal control system.
- Company’s financial reporting processes and ensures that the financial statements give a true and fair view of the affairs of the company.

It provides assistance to the board of Directors in fulfilling the Board’s oversight responsibilities.

**COMPOSITION AND MEETINGS OF AUDIT COMMITTEE:**

As per the provisions of clause 49 of listing agreement, the audit committee met four times during the year 2009-10 as 20<sup>th</sup> June 2009, 25<sup>th</sup> August 2009, 10<sup>th</sup> October 2009 & 8<sup>th</sup> February 2010.

The Composition of audit committee is as follows:

Name of the Director	Designation	Category
Dr. Prem Kumar Awasthi	Chairman	Non -Executive & Independent
Mr. Sham Sunder Gupta	Managing Director	Executive Director
Mr. Ravi Sawlani	Director	Non -Executive & Independent

Due to resignation of Ravi Sawlani the board was re-constituted as follows:

Name of the Director	Designation	Category
Dr. Prem Kumar Awasthi	Chairman	Non -Executive & Independent
Mr. Sham Sunder Gupta	Managing Director	Executive Director
Mrs. Saroj Gupta	Director	Non -Executive Director

Details of attendance of each member of Audit Committee meetings of the company are as follows:

Name of the Director	Designation	Category	No. of Meetings attended
Dr. Prem Kumar Awasthi	Chairman	Non -Executive & Independent	4
Mr. Sham Sunder Gupta	Managing Director	Executive Director	4
Mr. Ravi Sawlani	Director	Non -Executive & Independent	3
Mrs. Saroj Gupta	Director	Non -Executive Director	1

**ROLE AND RESPONSIBILITIES**

The role of Audit Committee includes the review of following:

- Financial Reporting Process
- Draft Financial Results (Quarterly & Annual)
- Record of related party transaction
- Reviewing the company's financial and risk management policies
- Management discussion and analysis of financial condition and results of operations
- Compliance with stock exchanges and legal requirement concerning financial statements
- Any other power which are specifically delegated by the board from time to time

The role of the Audit Committee includes recommending the appointment and removal of Statutory Auditor, discussion of Audit plan, fixation of Audit fees and also approval for payment of any other services.

**REMUNERATION COMMITTEE:**

Constitution of remuneration committee by listed public company pursuant to the listing agreement is voluntary. Presently the Company has constituted a remuneration committee.

The Composition of Remuneration Committee is as follows:

Name of the Director	Designation	Category
Dr. Prem Kumar Awasthi	Chairman	Non -Executive & Independent
Mr. Sham Sunder Gupta	Managing Director	Executive Director
Mr. Ravi Sawlani (upto 29-10-09)	Director	Non -Executive & Independent
Mrs. Saroj Gupta (from 6-10-09)	Director	Non -Executive Director

Details of attendance of each member of Remuneration Committee meetings of the company are as follows:

Name of the Director	Designation	Category	No. of Meetings attended
Dr. Prem Kumar Awasthi	Chairman	Non -Executive & Independent	4
Mr. Sham Sunder Gupta	Managing Director	Executive Director	4
Mr. Ravi Sawlani (upto 29-10-09)	Director	Non -Executive & Independent	3
Mrs. Saroj Gupta (from 6-10-09)	Director	Non -Executive Director	1

**SHAREHOLDERS' /INVESTORS' GRIEVANCES COMMITTEE:**

The Shareholders/ Investors Grievances Committee is constituted for good corporate governance report.

The Composition of Shareholders/ Investors Grievances Committee is as follows:

Name of the Director	Designation	Category
Dr. Prem Kumar Awasthi	Chairman	Non -Executive & Independent
Mr. Sham Sunder Gupta	Managing Director	Executive Director
Mr. Ravi Sawlani (upto 29-10-09)	Director	Non -Executive & Independent
Mrs. Saroj Gupta (from 6-10-09)	Director	Non -Executive Director

Details of attendance of each member of Shareholders/ Investors Grievance Committee meetings of the company are as follows:

Name of the Director	Designation	Category	No. of Meetings attended
Dr. Prem Kumar Awasthi	Chairman	Non -Executive & Independent	4
Mr. Sham Sunder Gupta	Managing Director	Executive Director	4
Mr. Ravi Sawlani (upto 29-10-09)	Director	Non -Executive & Independent	3
Mrs. Saroj Gupta (from 6-10-09)	Director	Non -Executive Director	1

Share Transfers are processed and duly approved by the committee. Investor's Grievances are placed before the committee. There were no investors complaints pending at the end of the financial year ended on 31.03.2010.

The roles and responsibilities of Shareholders/ Investors Grievances Committee are as follows:

**ROLE AND RESPONSIBILITIES**

The role of Shareholders/ Investors Grievances Committee includes the review of following:

- To monitor the process of expeditious transfer of shares or debentures.
- To monitor and review the shareholders complaints related to transfer of shares, non-receipt of Balance Sheet, non- receipt of declared dividend etc.
- To monitor and review from time to time the systems/ procedures relating to processing of transfer of shares, dematerialization/ re-materialization of share certificates, re-issued of share certificates against split, cancellation, consolidation and lost share certificates etc.
- To investigate any activity and seek information from any employee of the company, in discharging its duties.
- To obtain outside legal or professional services, if consider necessary.
- To fix the record date for the purposes as required under the Companies act and/or listing agreement.
- To consider and approve issue of duplicate share certificate in lieu of those reported lost, misplaced, torn, mutilated etc.
- Any other powers which are specifically delegated by the board from time to time.

**SUB-DELEGATION**

In order to expedite the process of shares transfers, the Board has appointed the **Alankit Assignment Limited** as Share Transfer Agent and registrar of the Company. The transfer agent will generally attend to the transfer formalities once in a fortnight and operate subject to the overall supervision of the Shareholders/ Investors Grievances Committee.

In compliance with the Listing Guidelines, every six months, the Share Transfer System is audited by a Practicing Company Secretary and a certificate to that effect is issued by them.

**COMPLIANCE OFFICER OF THE COMPANY**

Mr. Sham Sunder Gupta  
Managing Director

**GENERAL BODY MEETING:-**

Year	Date	Venue	Time
2009	30.09.2009	H-108, New Asiatic Building, Connaught Place, New Delhi-110065	9.30A.M

All resolutions proposed for the above said meetings were duly passed by show of hands. None of the resolution was passed nor proposed to be passed through Postal Ballot last year.



**STATUTORY DISCLOSURES :-**

No transactions of material nature have been entered into by the company with any of the promoters, directors, their related companies, firms, subsidiaries or relatives etc. that may have a potential conflict with interest of the Company.

The company has not been penalized, nor have any strictures been imposed by the Stock Exchanges, SEBI or any statutory authority, during the last three years, on any matter relating to capital market.

**MEANS OF COMMUNICATIONS :-**

The quarterly un-audited financial results are sent to Stock Exchanges where the Company's Shares are listed immediately after the Board Meetings.

- The notice of the AGM along with Annual Report is sent to the shareholders well in advance of the AGM.
- The Postal Ballot notices along with the Postal Ballot sent to the shareholders well in advance for making their board for the resolution.
- Quarterly results which news paper published in-
 

	1) The Financial Express
	2) Jansatta
	No
- Any website-
- Whether it also displays official news releases and Presentation made to institutional investors/ analyst- N.A.
- Whether Management Decision and Analysis Report is a part of Annual Report Yes it is a part of Director Report

**DISCLOSURES:**

The Board of Directors receives from time to time disclosures relating to financial and commercial transactions from key managerial personnel of the company where they and /or their relatives have personal interest. There are no materially significant related party transactions, which have potential conflict with the interest of the Company at large.

The details of the Related Party Transactions are placed before and reviewed by the Company's Audit Committee.

The Company has complied with the requirements of the Stock Exchanges/ Securities and Exchange Board of India/Statutory Authorities on all matters relating to capital markets, during the last three years.

**RISK MANAGEMENT:**

The Company has in place a Risk Management policy, which lays down a robust and dynamic process for identification and mitigation of risks. This policy has been adopted by the Audit Committee as well as the Board of Directors of the Company. The Audit Committee reviews the risk management and mitigation plan from time to time.

**SHAREHOLDERS INFORMATION:****ANNUAL GENERAL MEETING**

Date: 30<sup>th</sup> September 2010

Time: 4.30P.M.

Venue: Arya Public School, Raza Bazar,  
Connaught Place, New Delhi-110001

**FINANCIAL CALENDER (tentative)**

Financial Year- 1<sup>st</sup> April 2010 to 31<sup>st</sup> March 2011

Financial Reporting for the First Quarter ending 30<sup>th</sup> June 2010 : 31/07/2010

Financial Reporting for the Half Year ending 30<sup>th</sup> September 2010 : 30/10/2010

Financial Reporting for the Third Quarter ending 31<sup>st</sup> December 2010 : 31/01/2011

Financial Reporting for the Quarter & Year ending 31<sup>st</sup> March 2011 : 30/04/2011

**DATE OF BOOK CLOSURE:**

26<sup>th</sup> September, 2010 to 30<sup>th</sup> September, 2010 (both days inclusive)

**LISTING ON STOCK EXCHANGE:**

- 1) Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001.
- 2) Delhi Stock Exchange Limited, DSE House, 3/1 Asaf Ali Road, Delhi-110002

Corporate Identification Number: L51109DL1984PLC018554

**STATUS FOR SHAREHOLDERS' COMPLAINTS FOR THE PERIOD 01.04.2009 TO 31.03.2010**

Complaint received from the shareholders of the company during the year was duly resolved upto the satisfaction of our shareholders & no complaint was pending at the end of financial year.

**SHAREHOLDING PATTERN OF THE COMPANY**

Holders	No. of Shares	% of Total
Promoters		
(a) Indian	13716390	61.52
(b) Foreign	-	-
Financial Institution and Banks		
Non-Resident, OCB's, Foreign Banks	33684	0.15
Other Bodies Corporate	3019237	13.54
Mutual Funds	-	-
Clearing member	-	-
Public Shareholding	5527489	24.79
<b>Total</b>	<b>22296800</b>	<b>100.00</b>

**DISTRIBUTION OF SHAREHOLDERS**

Shareholding of Nominal Value		No. of Shareholder	% of Shareholder	No of Shares held	% of Shareholding
(Rs.)	(Rs.)				
Upto	5000	4645	79.293	1550855	6.956
5001	10000	343	5.855	558700	2.506
10001	20000	260	4.438	768402	3.446
20001	30000	135	2.305	706348	3.168
30001	40000	54	0.922	388056	1.740
40001	50000	103	1.758	942755	4.228
50001	100000	122	2.083	1813020	8.131
100001	ABOVE	196	3.346	15568664	69.825
<b>TOTAL</b>		<b>5858</b>	<b>100.00</b>	<b>22296800</b>	<b>100.00</b>

**STOCK MARKET DATA**

Stock market data (equity shares of Rs. 5/- each)

Month		Bombay Stock Exchange	
		High	Low
April	2009	4.29	2.01
May	2009	4.54	2.95
June	2009	8.74	4.76
July	2009	8.85	6.00
August	2009	8.93	7.00
September	2009	19.22	8.90
October	2009	29.50	14.30
November	2009	25.45	18.05
December	2009	24.55	16.60
January	2010	29.60	21.60
February	2010	22.10	17.15
March	2010	22.80	16.55

**DEMATERIALIZATION OF SHARES AND LIQUIDITY**

The company shares are traded in dematerialized form and have to be delivered in the dematerialized form to the stock exchange. To enable shareholders have an easy access to the Demat system, the company has executed agreements with both existing Depository namely by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The company has appointed Alankit Assignment Limited, Registrar for the purpose of electronic connectivity as well as for physical mode of transfer of shares.

**ISIN for Demat**

INE585D01024

**ADDRESS FOR CORRESPONDENCE**

DMC Education Limited  
H-108, New Asiatic Building,  
Connaught place, New Delhi-110001  
www.dmceducation.com

**ADDRESS OF THE REGISTRAR**

Alankit Assignment Limited  
2E/21, Jhandewalan Extension,  
New Delhi-110055

**DECLARATION**

None of the Director of the Company is a Director of more than 15 Companies and member of more than 10 committees or Chairman of more than 5 committees across all companies in which he is a Director.

**SECRETARIAL AUDIT**

To reconcile the total admitted capital with NSDL & CDSL and the total issue and listed capital a secretarial audit is carried out by a Practicing Company Secretary on half yearly basis.

**AUDITORS CERTIFICATE OF CORPORATE GOVERNANCE**

To  
The Members of  
**DMC Education Limited**  
H-108, New Asiatic Building,  
Connaught place,  
New Delhi-110001

We have examined the compliance of the conditions of Corporate Governance by DMC Education Limited for the year ended 31<sup>st</sup> March, 2010 as stipulated in clause 49 of the listing agreement of the said company with the Stock Exchanges in India.

1. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementations thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the financial statements of the company.
2. In our opinion and to the best of our information and explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that in respect of Investor Grievances received during the year ended 31<sup>st</sup> March 2010, no investor grievances are pending against the company for a period of exceeding one month as per the record maintained by the companies which are presented to Investor Grievance Committee.

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

Dated: 4<sup>th</sup> September, 2010  
Place: New Delhi

For M. K Goswami & Co.  
Chartered Accountants

Sd/-  
(V. K. Gupta)  
F.C.A  
Partner

**AUDITOR'S REPORT**

To the Members,

**M/s DMC International Limited,**

We have audited the attached Balance Sheet of M/s DMC INTERNATIONAL LIMITED, as at 31<sup>st</sup> March 2010, the Profit and Loss Account and also 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.

1. We conducted the audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor Report) Order, 2003 as amended by the companies (Auditor's report) Amendment order, 2004, issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956 we annex hereto a statement on the matters specified in paragraph 4 and 5 of the said order to the extent applicable to the Company.
3. Further to our comments in Annexure referred to 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 Accounts as required by law have been kept by the Company so far as appears from the examination of books;
  - c) The Balance sheet and Profit and Loss Account dealt with by this report are in agreement with the books of Accounts;
  - d) In our opinion and according to the explanations given to us, the Profit and Loss Account and Balance Sheet dealt with this report comply with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956 to the extent applicable;
  - e) In our opinion and to the best of our information and according to the explanations given to us, the financial statements, read together with 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 accounting principles generally accepted in India :
    - I. In the case of Balance sheet , of the state of affairs of the Company as at 31<sup>st</sup> March, 2010, and
    - II. In the case of Profit and Loss account, of the profit for the year ended on that date.
    - III. In the case of the Cash Flow Statements, of the cash flows for the year ended on that date.

**For M.K Goswami & Co.**  
**Chartered Accountants**  
**F R No. 002305N**

sd/-  
**V.K Gupta**  
**Partner**  
**M.No.-84450**  
**Place:- New Delhi**  
**Date:- 31<sup>st</sup> July, 2010**

**Annexure to the Auditors' Report to the Members of  
 DMC INTERNATIONAL LIMITED**

- (i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) In our opinion, the fixed assets have been physically verified by the management at reasonable intervals, having regard to the size of the company and the nature of its assets. No material discrepancies between the book records and the physical inventory are noticed.
- (c) During the year, in our opinion, a substantial part of fixed assets has not been disposed off by the company.
- (ii) (a) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (iii) (a) The company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. As the company has not granted any loans, secured or unsecured, to parties listed in the Register maintained under Section 301 of the Companies Act, 1956, paragraphs (iii)(b), (c) and (d) of the Order, are not applicable.

- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examinations and according to the information and explanations given to us, we have neither come across nor have we been informed of any instance of major weaknesses in the aforesaid internal control systems.
- (v) (a) In our opinion and according to the information and explanations given to us, there are no contracts or arrangements that need to be entered into the Register maintained under Section 301 of the Companies Act, 1956.
- (b) In our opinion and according to the information and explanations given to us, as there are no contracts or arrangements that need to be entered into the Register maintained under Section 301 of the Companies Act, 1956, paragraph (v)(b) of the Order is not applicable.
- (vi) During the year company has not accepted any deposit from public as defined in section 58A and 58 or any other relevant provision of the Act and the companies (Acceptance of Deposits) Rules, 1975 as applicable, with regard to the deposits accepted from the public.
- (vii) In our opinion, the company does not have any formal internal audit system commensurate with the size of the company and the nature of its business.
- (viii) To the best of our knowledge, the Central Government has not prescribed the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956, for any of the products of the company.
- (ix) (a) According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion, the company is regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, cess and other material statutory dues as applicable with the appropriate authorities.
- (x) The company does not have accumulated losses as at 31st March, 2010 and has not incurred cash losses during the financial year ended on that date or in the immediately preceding financial year.
- (xi) According to the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution, bank or to debenture holders during the year.
- (xii) According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The provisions of any special statute as specified under paragraph (xiii) of the Order are not applicable to the company.
- (xiv) In our opinion and according to the information and explanations given to us, the company is not a dealer or trader in securities.
- (xv) According to the information and explanations given to us, the company has not given any guarantees for loans taken by others from banks or financial institutions.
- (xvi) No term loan has been taken during the year.
- (xvii) Based on the information and explanations given to us and on an overall examination of the balance sheet of the company, in our opinion, there are no funds raised on a short term basis which have been used for long term investment.
- (xviii) 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 during the year.
- (xix) During the period, company has not issued any debentures to the public; paragraph of the Order is not applicable to the company.
- (xx) The company has not raised any money by public issue during the year.
- (Xxi) Based upon the audit procedure performed and information & explanations given to us by the management, during the year, no material fraud on or by the company has been noticed or reported.

**For M.K Goswami & Co.**  
**Chartered Accountants**  
**F R No.002305N**

sd/-  
**V.K Gupta**  
**Partner**  
**M.No.-84450**  
**Place:- New Delhi**  
**Date:- 31<sup>st</sup> July, 2010**

## BALANCE SHEET AS AT MARCH 31st, 2010

	Sch.No.	As At 31-03-2010	As At 31-03-2009
<b>I SOURCES OF FUND</b>			
1. SHAREHOLDERS FUND			
a) Share Capital	<b>A</b>	<b>112,484,000</b>	112,484,000
b) Reserve & Surplus	<b>B</b>	<b>116,197,688</b>	98,232,735
2. LOAN FUND			
a) Unsecured Loans	<b>C</b>	<b>408,376</b>	37,453,654
3. Deferred Tax Liability		<b>1,112,321</b>	- - -
<b>TOTAL</b>		<b>230,202,385</b>	<b>248,170,389</b>
<b>II APPLICATIONS OF FUNDS</b>			
1. FIXED ASSETS :	<b>D</b>		
a) Gross Block		<b>60,651,712</b>	7,735,522
b) Less: Depreciation		<b>8,076,186</b>	6,229,296
c) Net Block		<b>52,575,526</b>	1,506,226
d) Capital Work-in-progress		<b>5,250,000</b>	5,250,000
		<b>57,825,526</b>	6,756,226
2. Investments	<b>E</b>	<b>17,284,000</b>	32,679,501
3. Deferred Tax Assets (Ref. note 'D' of Schedule 'N')		- - -	237,198
4. Current Assets, Loans & Advances:			
a) Inventories	<b>F</b>	<b>18,492,420</b>	53,778,895
b) Sundry Debtors	<b>G</b>	<b>53,956,180</b>	32,754,395
c) Cash and Bank Balances	<b>H</b>	<b>2,962,442</b>	164,211
d) Loans and Advances	<b>I</b>	<b>108,185,270</b>	155,842,205
		<b>183,596,312</b>	242,539,706
Less: Current Liabilities & Provisions :			
a) Current Liabilities	<b>J</b>	<b>21,584,017</b>	30,602,902
b) Provisions	<b>K</b>	<b>6,967,771</b>	3,503,786
		<b>28,551,788</b>	34,106,688
Net Current Assets		<b>155,044,524</b>	208,433,018
Misc. Exps. (To the extent not w/o)		<b>48,334</b>	64,446
<b>TOTAL</b>		<b>230,202,385</b>	<b>248,170,389</b>
Significant Accounting Policies and Notes to Accounts	<b>N</b>		

As per our separate report of even date annexed

For **M. K. Goswami & Co.**  
Chartered AccountantsSd/-  
V. K. Gupta  
Partner  
M.No.84450Date : 31<sup>st</sup> July, 2010  
Place : New Delhi

For and on behalf of Board

Sd/-  
**Saroj Gupta**  
DirectorSd/-  
**Sham Sunder Gupta**  
Managing Director

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

	Schedule No.	For the Year 31-03-2010	For the Year 31-03-2009
<b>INCOME</b>			
Income from Real Estate Operation		20,262,825	6,050,573
Education Income		49,658,297	- - -
Other Income	L	13,169,016	1,824,158
<b>Total</b>		<b>83,090,138</b>	<b>7,874,731</b>
<b>EXPENDITURES</b>			
Loss on Sale of Shares		608,285	- - -
Cost of FSI		15,153,520	- - -
Advertisement Cost		2,988,047	3,314,621
Purchase of Books		27,522,710	- - -
Administrative & other exp.	M	10,340,516	2,118,092
<b>Total</b>		<b>56,613,078</b>	<b>5,432,713</b>
<b>Profit/Loss on before Tax and Depreciation</b>		<b>26,477,060</b>	<b>2,442,018</b>
Less: Depreciation		3,207,927	1,243,377
Profit after Depreciation		23,269,133	1,198,641
Less : Income Tax Expenses			
a) Current Tax		3,954,663	466,640
b) Fringe Benefit Tax		- - -	24,038
c) Deferred Tax Liabilities/(Assets)		1,349,520	(237,199)
Net Profit after tax		17,964,951	945,161
Balance B/F from Prev. Year		- - -	23,859,553
<b>Balance Carried to Balance Sheet</b>		<b>17,964,951</b>	<b>24,804,714</b>
Significant Accounting Policies & Notes on Accounts As per our separate report of even date annexed	N		

For M. K. Goswami & Co.  
Chartered Accountants

Sd/-  
V. K. Gupta  
Partner  
M.No.84450

Date : 31<sup>st</sup> July, 2010  
Place : New Delhi

For and on behalf of Board

Sd/-  
Saroj Gupta  
Director

Sd/-  
Sham Sunder Gupta  
Managing Director



Schedules to Balance Sheets as at March 31, 2010		
	As at March 31, 2010 Amount in Rs.	As at March 31, 2009 Amount in Rs.
<b>Schedule - A</b>		
<b>SHARE CAPITAL</b>		
AUTHORISED CAPITAL		
Equity Shares		
3,10,00,000 Equity Shares of Rs.5/- each	155,000,000	155,000,000
Preference Shares		
10% Redeemable Preference Shares 2,00,000 Shares of Rs.5/- Each	1,000,000	1,000,000
	<b>156,000,000</b>	<b>156,000,000</b>
<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>		
Equity shares (22,296,800 Equity Shares of Rs. 5/- each)	111,484,000	111,484,000
Preference Shares (10% Redeemable Preference Shares)	1,000,000	1,000,000
<b>Total</b>	<b>112,484,000</b>	<b>112,484,000</b>
<b>Schedule - B</b>		
<b>RESERVES &amp; SURPLUS</b>		
Capital Reserve		
Balance as per Last Balance Sheet	25,554,847	220,500
Add : Adjustment of Deffered Tax	---	256,347
Add : Transferred During the year (Merger Reserve)	---	25,078,000
(a)	<b>25,554,847</b>	<b>25,554,847</b>
<b>Security Premium Account</b>		
Balance as per last Balance Sheet	60,677,890	47,873,175
Less : Profit Transfer to Capital Redemption Reserve	---	12,000,000
(b)	<b>60,677,890</b>	<b>35,873,175</b>
<b>Capital redemption Reserve</b>	<b>12,000,000</b>	<b>12,000,000</b>
(c)	<b>12,000,000</b>	<b>12,000,000</b>
<b>Surplus Balance in Profit &amp; Loss Account</b>	<b>17,964,951</b>	<b>24,804,714</b>
(d)	<b>17,964,951</b>	<b>24,804,714</b>
<b>Total</b>	<b>116,197,688</b>	<b>98,232,736</b>
<b>Schedule - C</b>		
<b>LOAN FUND</b>		
Unsecured Loan	408,376	37,453,654
<b>Total</b>	<b>408,376</b>	<b>37,453,654</b>
<b>Schedule - E</b>		
<b>INVESTMENT</b>		
Investment in Unquoted Shares	---	32,679,501
Right of Construction for FSI	17,284,000	---
<b>Total</b>	<b>17,284,000</b>	<b>32,679,501</b>
<b>Schedule - F</b>		
<b>INVENTORIES</b>		
Right of Construction for FSI	---	25,284,000
Land & Development At Eden Garden, Alwar	---	6,567,520
Floor Space Index Rights	---	8,586,000
Containt Development	17,332,500	12,877,500
Closing Stock of Share	1,159,920	463,875
<b>Total</b>	<b>18,492,420</b>	<b>53,778,895</b>
<b>Schedule - G</b>		
<b>SUNDARY DEBTORS (UNSUCURED, BUT CONSIDERED GOOD)</b>		
- More than six month	12,524,262	31,776,468
- others	41,431,918	977,927
<b>Total</b>	<b>53,956,180</b>	<b>32,754,395</b>

	As at March 31, 2010 Amount in Rs.	As at March 31, 2009 Amount in Rs.
<b>Schedule - H</b>		
<b>CASH &amp; BANK BALANCES</b>		
Cash in Hand	2,759,950	96,915
Balance with Schedule Banks on Current Accounts	153,641	18,444
Kotak Mahindra Bank (Unclaim Interim Dividend for 2006-07) Per Contra	48,851	48,852
<b>Total</b>	<b>2,962,442</b>	<b>164,211</b>
<b>Schedule - I</b>		
<b>LOANS &amp; ADVANCES</b>		
(Unsecured unless otherwise stated and considered Good)		
Advanced recoverable in cash or in kind or value to be received	29,485,613	74,647,256
Advance for Acquisition of Property	78,699,656	80,334,656
TDS Recoverable for Current Year	---	448,112
Tax Deducted at Sources	---	412,181
<b>Total</b>	<b>108,185,269</b>	<b>155,842,205</b>
<b>Schedule - J</b>		
<b>CURRENT LIABILITIES</b>		
Advance Against Property	2,450,000	3,500,000
Sundry Creditors	17,249,205	23,468,071
Interim Dividend Unclaimed Per Contra	48,851	48,851
TDS Payable	272,538	78,479
Expense Payable	275,958	92,084
Service Tax Payable	196,332	138,047
Advance received	1,091,133	3,277,370
<b>Total</b>	<b>21,584,017</b>	<b>30,602,902</b>
<b>Schedule - K</b>		
<b>PROVISIONS</b>		
Provision for FBT	---	24,038
Provision for Tax Current Year	3,954,663	466,640
Provision for Tax Previour Year	3,013,108	3,013,108
<b>Total</b>	<b>6,967,771</b>	<b>3,503,786</b>
<b>Schedule -L</b>		
<b>OTHER INCOME</b>		
Dividend Income	21,225	57,171
Interest Received	389,278	195,437
Other Income	98,193	---
Profit from sale of shares & Investments	12,660,320	1,571,550
<b>Total</b>	<b>13,169,016</b>	<b>1,824,158</b>
<b>Schedule -M</b>		
<b>ADMINISTRATIVE &amp; OTHER EXPENSES</b>		
Auditors Remuneration	16,520	25,000
AMC Charges	58,870	---
Bad Debts	1,368,154	---
Bank Charges	64,326	43,264
Board Meeting Exp.	12,457	5,000
Business Promotion	175,666	22,111
Computer Stationary & Repairs	118,772	103,802
Convenyance	148,016	13,836
Construction Exp.	425,621	---
Donation	5,100	---
Electricity Exp.	223,451	260,383
Interest on Loan	60,597	78,244
Incentive	108,552	---
Job Work	446,562	---
Listing, Legal & Professional Exp.	254,744	406,680
Logo Designing	150,000	---
L C Fees	220,600	---
Misc. Exp.	63,317	37,297
Office Renovation exp.	135,000	38,804

	As at March 31, 2010 Amount in Rs.	As at March 31, 2009 Amount in Rs.
Printing & Stationery	206,276	115,056
Professional Fees Paid	1,390,565	- - -
Photocopy Exp.	239,905	- - -
Postage & Telegram & Couriers	38,799	19,856
Preliminary Exp.	16,112	16,112
Proof Reading Expenses	113,770	96,641
Rent Exp.	1,257,000	90,000
Repair & Maintaince Exp.	10,000	4,931
ROC Filing Exp.	9,544	500
RPFC Fund	6,724	- - -
Staff Welfare Expenses	141,202	16,241
Salary Expenses	2,468,530	4,95,597
Software Updation Charges	2,357	12,500
Statutory Expenses	- - -	23,033
Telephones Exp.	223,402	190,244
Tour & Travelling	139,947	2,960
Water Expenses	20,058	- - -
<b>Total</b>	<b>10,340,516</b>	<b>2,118,092</b>

## Fixed Assets Schedule 'D' as at 31st March 2010

PARTICULARS	Gross Block				Depreciation Block			NET BLOCK	
	Cost as at 01-04-09	Add. during the year	Sale During the year	Cost as at 31-Mar-10	As at 1-Apr-09	During the Year	Upto 31-03-10	As at 31-03-10	As at 31-03-09
Computer	2,142,632	238,771	-	2,381,403	1,728,759	242,316	1,971,075	<b>410,328</b>	413,873
Furniture & Fixture	806,609	268,762	-	1,075,371	379,685	101,396	481,081	<b>594,290</b>	426,924
Office Equipment	178,470	375,015	-	553,485	102,878	65,536	168,414	<b>385,071</b>	75,592
Camera	30,000	-	-	30,000	16,800	1,835	18,636	<b>11,364</b>	13,200
Air Conditioner	- - -	97,280	-	97,280	- - -	6,710	6,710	<b>90,570</b>	- - -
<b>Intangible Assets</b>									
Production Software	945,600	-	-	945,600	741,350	51,063	792,413	<b>153,188</b>	204,250
Computer Software	2,271,173	797,400	-	3,068,573	1,898,787	114,069	2,012,856	<b>1,055,717</b>	372,386
IPR & Brand Equity	- - -	52,500,000	-	52,500,000	-	2,625,000	2,625,000	49,875,000	- - -
<b>Total</b>	<b>6,374,484</b>	<b>54,277,228</b>	-	<b>60,651,712</b>	<b>4,868,259</b>	<b>3,207,925</b>	<b>8,076,186</b>	<b>52,575,526</b>	<b>1,506,225</b>
Capital Work in Process	5,250,000	-	-	5,250,000	-	-	-	<b>5,250,000</b>	5,250,000
<b>Total</b>	<b>11,624,484</b>	<b>54,277,228</b>	-	<b>65,901,712</b>	<b>4,868,259</b>	<b>3,207,925</b>	<b>8,076,186</b>	<b>57,825,526</b>	<b>6,756,225</b>

## SCHEDULE 'N'

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES OF ACCOUNTS

## 1. SIGNIFICANT ACCOUNTING POLICIES:

**A) Basis of preparation of financial Statements:**

- The financial Statements have been prepared under the historical cost convention on accrual basis as a going concern in accordance with generally accepted accounting principles and provisions of Companies Act, 1956.
- Accounting policies not specifically referred to otherwise are in consonance with generally accepted accounting principles.

**B) Fixed Assets and Depreciation:**

- Fixed Assets are accounted for on historical cost less depreciation.
- Expenses incurred on internal development of courseware and products are capitalized either individually or as knowledge bank in the form of software ,once their technical feasibility and ability to generate future economic benefits is established in accordance with the requirements of Accounting Standards 26, "Intangible Assets" as notified under section 211 (3) of the Companies Act,1956. Expenses incurred during the research phase till the establishment of commercial feasibility is charged to the Profit and Loss Account.
- Depreciation and amortization is provided on a pro rata basis on the straight - line method over the estimated useful lives of the assets determined as follows:

Production software	3- 5 Years
Computer Software	3- 5 Years
IPR Brand Equity	10years
Education Software including website designing	3-5 Years
All other Assets	Rates prescribed under schedule XIV to the companies Act, 1956

- Impairment of Assets

All assets other than inventories, investment and deferred tax assets, are reviewed for impairment, whether events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount.

**C) Investment:**

Long term investments are valued at their acquisition cost. Any decline in the value of the said investment, other than a temporary decline, is recognized and charged to Profit and Loss Account. Short-term investment are carried at cost or market value, whichever is lower.

**D) Revenue Recognitions:**

The revenue in respect of sale of courseware, technical information and reference material and other goods are recognized on dispatch/ delivery of the material to the customer whereas the revenue from the tuition activity / training is recognized over the period of the course programmes or as per the terms of agreement, as the case may be.

**E) Valuation of Inventory:**

Inventories are valued at cost or net realizable value whichever is less. Cost is determined using weighted average method and includes applicable costs incurred in bringing inventories to their present location and condition.

**F) Retirement Benefit:**

DMC provides for gratuity, a defined benefit retirement plan (the "Gratuity plan) covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity plan provides a lump sum payment to vested employees at retirement, death, incorporation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

**G) Contingent Liabilities:**

The company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation can not be made.

Disclosure of show cause notices are made on merits of the matters where management foresees possibilities of outflow of resources.

**H) Taxation:**

Tax expenses, comprising of both current tax (including fringe benefit tax) and deferred tax is included in determining the net results for the year. Deferred Tax reflect the effect of timing differences between the assets and liabilities recognized for financial reporting purposes and the amounts that are recognized for current tax purposes. As a matter of prudence deferred tax assets are recognized and carried forward only to the extent, there is a reasonable/ virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Current Tax is determined based on the provisions of Income Tax Act, 1961. Minimum Alternate Tax (MAT).

**2. NOTES TO ACCOUNTS :****A. DETAIL RELATING TO OPENING STOCK, PURCHASES, REVENUE AND CLOSING STOCK**

Now the company steps into the education sector and has taken up M/S TRUMP AND GATES on 5<sup>th</sup> October, 2009

**B. RELATED PARTY TRANSACTIONS AS PER ACCOUNTING STANDARD 18**

1. Related party where control exists:  
Company has no subsidiary.
2. Other related parties with whom the company has transacted:
  - a) Associates (Parties in which company has substantial interest)  
No company in which company has substantial interest.
  - b) Key managerial personnel.  
No transaction has recorded with Key Managerial Personnel.
  - c) Relative of key managerial personnel.  
No transaction has recorded with the relative of key managerial personnel.

**3. Details of significant transactions with related parties described above carried out on an Arm's length basis:**

Disclosure pursuant to clause 32 of Listing Agreement in respect of loans given to subsidiaries and other parties in which key managerial personnel are interested.

The company has changed its area of business from real estate to education sector.

**C. TAXATION :**

- a) Upon finalization of income tax return of asst. year 2009-10 an amount of Rs.2,53,479/-(Net) has been charged as tax expense.
- b) Break up of deferred tax liabilities/(assets) and reconciliation of current year deferred tax credit is as follows:

Deferred tax assets/liabilities	Opening as on 01.04.2009	Charged/(credited) to profit & loss account	Closing as on 31.03.2010
Deferred tax liabilities Tax impact on account of WDV of fixed assets	(2,37,199)	13,49,520	11,12,321
<b>Total(A)</b>	(2,37,199)	13,49,520	11,12,321
Deferred tax assets Tax impact of expense charged in the financial statements but allowable as deduction in future years under income tax act	NIL	NIL	NIL
<b>Total(B)</b>	NIL	NIL	NIL
<b>Net deferred tax liabilities</b>	(2,37,199)	13,49,520	11,12,321

Deferred tax assets and liabilities are being offset as they relate to taxes on income levied by the same governing taxation laws.

D. An amount of Rs 13,68,154/- has been written off as Bad-Debts during the financial year 2009-10.

E. Contingent Liability not provided for exist in respect of:

Any demand that may be raised by Income-tax authorities on completion of Assessment.

**F. EARNING PER SHARE.**

Particulars	Year ended as on March 31 <sup>st</sup> , 2010 (Rs.)	Year ended as on March 31 <sup>st</sup> , 2009 (Rs.)
Profit attributable to equity shareholders	1,79,64,951	9,45,161
Weighted avg. number of equity shares outstanding during the year	2,22,96,800	2,22,96,800
Nominal value of equity shares	5	5
Basic earning per share	0.81	0.04
Add: effect of potential dilutive shares	NIL	NIL
Weighted avg. number of shares outstanding considered for determining diluted EPS	2,22,96,800	2,22,96,800
Profit after considering income of potential shares.	1,79,64,951	9,45,161
Diluted Earning per share.	0.81	0.04

- G. Previous year figures have been regrouped/rearrange wherever necessary.
- H. Value of Imports calculated on C.I.F. value. NIL
- I. Amount paid during the year in foreign currency on account of Dividend:NIL

As per our separate report of even date annexed  
For **M. K. Goswami & Co.**  
Chartered Accountants  
F R No. 002305N

Sd/-  
C.A. V. K. Gupta  
Partner  
M.No.-84450

For and on behalf of Board

s/d  
**Saroj Gupta**  
Director

s/d  
**Sham Sunder Gupta**  
Managing Director

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

	For the Year ended 31-03-10		For the Year ended 31-03-09	
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>				
Profit before Tax		23,269,133		1,197,610
Adjustment for :				
Depreciation	3,207,927		1,243,377	
Interest and Finance Charges	60,597		78,244	
(Profit)/Loss on Sale/Shares	608,285		- - -	
Provision for Deoubful debts, advances, deposits	1,368,154		- - -	
Interest Income	(389,278)		(195,437)	
Dividend Income	(21,225)		(57,171)	
Written off Preliminary exp.	16,112		16,112	
(Profit)/Loss on sale/redemption of Investments	(12,660,320)		(1,527,519)	
		(7,809,748)		2,612,644
<b>Operating Profit before Working Capital Change (a)</b>		<b>15,459,385</b>		<b>3,810,254</b>
Adjustment for :				
Trade and Other Receivables	(21,201,785)		(8,938,418)	
Inventories	35,286,475		4,537,379	
Trade Payables	(9,018,885)		(2,816,387)	
Loans & Advance	47,166,258		5,708,853	
Direct Taxes(Paid)/Refunded		- - -	(18,318)	
<b>Total (b)</b>		<b>52,232,063</b>		<b>(1,526,891)</b>
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A+B)</b>		<b>67,691,448</b>		<b>2,283,363</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets	(54,277,228)		- - -	
Purchase of Investment	- - -		(6,492,226)	
Sales of Investment	15,395,501		889,179	
Interest Received	389,278		195,437	
Dividend	21,225		57,171	
<b>NET CASH FLOW FROM/(USED) IN INVESTING ACTIVITIES</b>		<b>(38,471,224)</b>		<b>(5,350,439)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>				
Interest Paid	(60,597)		78,244	
Bad Debts	(1,368,154)		- - -	
Profit of Sale of Shares	12,660,320		- - -	
Loss on Sale of Shares	(608,285)		- - -	
Share Application Money Proceeds Received	- - -		3,277,370	
Movement in Loans Given	(37,045,278)		(553,086)	
<b>NET CASH FLOW FROM/(USED) IN FINANCE ACTIVITIES</b>		<b>(26,421,994)</b>		<b>2,802,528</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>2,798,230</b>		<b>(264,548)</b>
<b>CASH AND CASH EQUIVALENTS AS AT APRIL 1st</b>		<b>164,211</b>		<b>428,758</b>
<b>CASH AND CASH EQUIVALENTS AS AT MAR 31st</b>		<b>2,962,441</b>		<b>164,210</b>
Cash and Cash Equivalents Comprise				
Cash in Hand	2,759,950		96,915	
Balance with Banks	202,491		67,295	
	<b>2,962,441</b>		<b>164,210</b>	

**Note :** a) Cash and Cash equivalents include cash & Cheques in hand and balance with Schedule Banks and amount tallies with the amount disclosed in Schedule 'H' to the Balance Sheet.

b) Previous Year Figures have been regrouped/rearranged wherever considered necessary to make them comparable with Current Year's figures

As per our separate report of even date annexed

**For M. K. Goswami & Co.**  
Chartered Accountants  
F. R. No. 002305N

Sd/-  
CA V. K. Gupta  
Partner  
M.No.84450  
Date : 31st July 2010

For and on behalf of Board

Sd/-  
**Saroj Gupta**  
Director

Sd/-  
**Sham Sunder Gupta**  
Managing Director



**AUDITOR'S CERTIFICATE**

We have verified the above Cash Flow Statement of DMC INTERNATIONAL LIMITED. derived from the audited financial statement for the year ended 31<sup>st</sup> March ,2010 and found the same to be drawn in accordance therewith and also with the requirements on Clause 32 of the Listing Agreement with Stock Exchange.

Place: New Delhi  
Date: 31<sup>st</sup> July, 2010

For M.K Goswami & Co.  
Chartered Accountants  
F R N-002305N

s/d  
**(V.K.Gupta)**  
Partner  
M. No.084450

**DMC EDUCATION LIMITED**

**Regd. Office:** H-108, New Asiatic Building, Connaught Place, New Delhi-110001

**PROXY FORM**

I/We \_\_\_\_\_ of \_\_\_\_\_ being member/members of the above named Company hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him/her \_\_\_\_\_ of \_\_\_\_\_ as my/our Proxy to vote for me/us behalf at the 26th Annual General Meeting of the Company to be held on Thrusday the 30th September, 2010 at 4.30 p.m. at Arya Public Schoo, Raja Bazar, Connaught Place, New Delhi-110001 and at any adjourned meeting. thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2010

Signature \_\_\_\_\_

Regd. Folio No. \_\_\_\_\_

DP. Id. No.\* \_\_\_\_\_

Client Id No.\* \_\_\_\_\_

No. of Shares \_\_\_\_\_

Address \_\_\_\_\_  
\_\_\_\_\_

Note: The form should be signed across the stamp as per specimen signature registered with the Company. The proxy form must reach the Registered Office of the Company not less than 48 hours before the time fixed for holding the aforesaid meeting.

-----Tear Here-----

**DMC EDUCATION LIMITED**

**Regd. Office:** H-108, New Asiatic Building, Connaught Place, New Delhi-110001

**ATTENDANCE SLIP**

Regd. Folio No. \_\_\_\_\_

DP. Id. No.\* \_\_\_\_\_

Client Id No.\* \_\_\_\_\_

Mr./Ms. \_\_\_\_\_

Father's/Husband's Name \_\_\_\_\_

I certify that I am a registered Shareholders/Proxy for the registered Shareholder of the Company.

I hereby record my presence at the 26<sup>th</sup> Annual General Meeting of the Company at Arya Public School, Raja Bazar, Connaught Place, New Delhi-110001 at 4.30 P.M. on Thrusday the 30th September, 2010.

\_\_\_\_\_  
Members'/Proxy's Name in BLOCK Letters

\_\_\_\_\_  
Members'/Proxy's Signature

- Note:** 1) Please fill in this attendance slip and hand it over at the entrance of the Meeting Hall.  
2) Member's Signature should be in accordance with the specimen signature registered with the Company.  
3) Please bring your copy of the Annual Report for reference at the Meeting.

\* Applicable for investors holding shares in electronic form.