

## NOTICE

Notice is hereby given that the 27th Annual General Meeting of 'DMC EDUCATION LIMITED' will be held on Friday 30th September 2011 at 4:30 p.m. 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 31st March 2011 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 Mrs.Saroj Gupta who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint **M/s M.K. Goswami & Co., Chartered Accountants**, 1st 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.

Date: 3rd September 2011  
Place: New Delhi

By Order of the Board  
of DMC Education Limited

Sd/-  
Parul Bhargava  
Company Secretary

## 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 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. Members /Proxies are requested to bring their copy of AGM Notice to the Meeting.
4. The register of members and share transfer books of the company will remain closed from 26th September 2011 to 30th September 2011 (both days inclusive).
5. **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.
6. **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.
7. 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.

8. **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.
9. 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 THE LISTING AGREEMENT**

Name and Addresses of the Stock Exchanges 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,**  
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	Saroj Gupta
Date of Birth	18/11/1958
Date of Appointment	06/10/2009
Qualification	B.A., B. Ed.
Expertise	Business Administration and Management Skills

## DIRECTOR'S REPORT

Dear Shareholders,

The Directors of your company have pleasure in presenting herewith the 27th Annual Report of your company together with the Audited Statement of Accounts for the Financial Year ended March 31, 2011.

### 1. FINANCIAL RESULTS

The standalone audited financial results for the year ended March 31st, 2011 are as follows:

(Rs. In lakhs)

Particulars	Year ended on 31.03.2011	Year ended on 31.03.2010
Total Income	1530.08	830.90
Profit Before Tax	375.56	232.69
Less: Provision for Tax	141.14	53.04
Profit after Tax Adjustment	234.42	179.65

### 2. DIVIDEND

The Directors of your Company do not recommend any dividend to the Shareholders for the Financial Year 2010-2011, keeping in view the current economic scenario and future fund requirements of the Company.

### 3. TRANSFER TO RESERVES

The Company proposes to transfer Rs.22,592,990 to the General Reserve out of the amount available for appropriations.

### 4. PERFORMANCE PREVIEW

Total income for the year is Rs.1530.08 Lacs (Previous Year Rs. 830.90 Lacs). Profit for the year was Rs. 375.56Lacs (Previous Year Rs. 232.69 lacs) but after making adjustment for the tax the net profit is Rs. 234.42Lacs against a net profit of Rs. 179.65 Lacs in the previous Year.

### 5. CHANGES IN CAPITAL STRUCTURE

#### PAID-UP SHARE CAPITAL & OUTSTANDING CONVERTIBLE INSTRUMENTS

During the year under review, the Company allotted 5,00,000 Equity Shares of face value of Rs. 5/- each at a premium of Rs.25/- on private placement basis to shareholders of Vsoft Services Private Limited on 1st October 2010 against acquisition of 100% stake of Vsoft Services Private Limited.

The Board of Directors of the Company at its meeting held on November 09, 2010, inter alia, has allotted 1,50,000 Zero %age Fully Convertible Debentures of Rs. 100/- each, compulsorily convertible into Equity Shares with a face value of Rs. 5/- each at the end of 12 (Twelve) Months from the date of allotment amounting to Rs. 15 million to **HT Media Ltd.** The Conversion price will be decided at the time of Conversion as per Regulation76 of SEBI (ICDR) Guidelines.

The Board of Directors of the Company at its meeting held on February 14, 2011, inter alia, has allotted One Zero %age Fully Convertible Debentures of Rs. 2, 67,00,000/- each, compulsorily convertible into Equity Shares with a face value of Rs. 5/- each at the end of 12 (Twelve) Months from the date of allotment amounting to Rs. 26.70 million in the Company to **Brand Equity Treaties Ltd.**, a Times of India Group Company. The Conversion price will be decided at the time of Conversion as per Regulation76 of SEBI (ICDR) Guidelines

### 6. SUBSIDIARIES

The Company has a subsidiary viz. Vsoft Services Private Limited.

### 7. DIRECTORS

As per section 255 & 256 of the Companies Act, 1956, Mrs.Saroj Gupta retire by rotation at the ensuing Annual General Meeting and, being eligible, offers herself for re-appointment. Board recommends your approval for her appointment.

## 8. COMPANY SECRETARY

As per the requirement of Section 383A of the Companies Act, 1956, the Management of the Company has appointed CS Parul Bhargava as Company Secretary & Compliance Officer of the Company.

## 9. STATUTORY DISCLOSURES

None of the Directors of your Company is disqualified as per provision of section 274(1)(g) of the Companies Act, 1956. The Directors of the Company have made necessary disclosures, as required under various provisions of the Act and Clause 49 of the Listing Agreement

## 10. DIRECTORS' RESPONSIBILITY STATEMENT

In pursuance of provisions of Section 217(2AA), we hereby confirm that :

- (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 31st March, 2011 and of Profit and Loss 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.

## 11. AUDITORS & AUDITORS REPORT

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.

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

There are no qualification or adverse remarks in the Auditor's Report which require any clarification or explanation.

## 12. REGISTRAR AND SHARE TRANSFER AGENTS

The work related to shares in Demat and Physical mode is done by Registrar and Share Transfer Agent of the Company: **M/s Alankit Assignments Limited**, 2E/21, Jhandewalan Extension, New Delhi-110005.

## 13. LISTING

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

The Company also applied for National Stock Exchange (NSE) as per the NSE guidelines and regulations for listing of its equity shares and the same was pending at National Stock Exchange.

## 14. BUSINESS OPERATION REVIEW

### TAKEOVER OF PLANSTEPS

The Company has taken over Plansteps. Plansteps is a Kolkata based 14 years old leading education management and Consulting firm, rendering continuous efforts in the field of education and management consultancy.

### TAKEOVER OF LIFELONG LEARNING

Lifelong Learning is a Delhi based finishing school. The Company has entered into an agreement with the promoters of Lifelong Learning to acquire 51% stake of the company. The Company will invest around 1 Cr. for expansion of the company and will establish franchisee network throughout India.

**INVESTMENT OF INR 26.70 MILLION BY BETL, A TIMES OF INDIA GROUP COMPANY**

Brand Equity Treaties Limited, a Times of India Group Company has invested INR 26.70 Million in Zero (0) % fully convertible debentures of the Company

**INVESTMENT OF INR 15 MILLION BY HT MEDIA LIMITED**

HT Media Ltd has invested in 1,50,000 Zero %age Fully Convertible Debentures of Rs. 100/- each, compulsorily convertible into Equity Shares with a face value of Rs. 5/- each at the end of 12 (Twelve) Months from the date of allotment amounting to Rs. 15 million in the Company.

**PROPOSED INVESTMENT OF INR 26.70 MILLION BY DB CORP LIMITED**

DB Corp Ltd has already entered into a Debenture Subscription Agreement with the Company for subscription of One Zero %age Fully Convertible Debentures of Rs. 2,67,00,000/-, compulsorily convertible into Equity Shares with a face value of Rs. 5/- each at the end of 12 (Twelve) Months from the date of allotment amounting to Rs. 26.70 million in the Company.

**15. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO**

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. 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 2010-11.

**16. REPORT ON 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 along with the Compliance Certificate from the Practicing Company Secretary and Management Discussion and Analysis Report are annexed and forms part of this Annual Report.

**17. NOTES TO ACCOUNTS**

They are self-explanatory and do not require any explanations.

**18. 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.

**19. PUBLIC DEPOSITS**

The Company has not accepted or renewed any sort of deposits during the Financial Year 2010-11 under section 58A and 58AA of the Companies Act, 1956.

**20. CASH FLOW STATEMENT**

As required under clause-32 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.

**21. 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 the applicable laws and regulations. Actual results might differ materially from those expressed or implied in the statement depending on the circumstances.

**22. 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.

**23. 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.

**24. INDUSTRIAL RELATIONS**

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

**25. 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.

**26. 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: 3rd September 2011**  
**Place: New Delhi**

**By the order of Board of Director**  
**For DMC Education Limited**

**Sd/-**  
**Saroj Gupta**  
**Executive Director**

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

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### OPERATING RESULTS OF THE COMPANY

During the Financial Year under consideration the performance of the Company was satisfactory and there was a marked improvement. Standalone Net Profit for the year 2010-11 stood at Rs 234.42 Lacs /- as against profit of Rs 179.65 Lacs/- in the year 2009-10. Furthermore the standalone turnover for the year ended March 31, 2011 stood at Rs. 1530.08 Lacs/-, as compared to Rs. 830.90 Lacs Rs. for 2009-10.

### INDUSTRY STRUCTURE AND DEVELOPMENT

#### BUDGET 2011 HIGHLIGHT ON EDUCATION SECTOR

Observing that education is the key to reaping the benefits of the demographic dividend in the form of a young population, Finance Minister through its Finance Budget announced a 24 percent hike in the budget allocation for education. Approximately Rs.52,057 crore is allocated precisely for the education sector. The Finance Minister is trying to universalise the access to secondary education. His main focus is to increase the percentage of students in higher education and skills development sector. The allocation for Right to Education was meanwhile hiked by 40 percent.

The operational norms of Sarva Shiksha Abhiyan have been revised to implement the right of children to free and compulsory education, which came into force from April 1, 2010. Around Rs.21,000 crore was allocated in this project.

#### Analysis on Test Preparation Segment

India's Test Preparatory sector currently offers an estimated US\$6.4 billion market, with a potential 16% five-year CAGR. This spans the kindergarten through grade 12 (K-12) segment (US\$20 billion), private professional colleges (US\$7 billion) and tutoring (US\$5 billion), vocational training (US\$1.4 billion), test preparation (US\$1.7 billion), and preschools (US\$1 billion).

The most attractive and scalable sectors in this group are test preparation, K-12 and preschools. Parents increasingly prefer private institutions in all domains due to the low quality and poor infrastructure of government-owned and -aided institutions. While just 7% of the more than 1 million schools in India are privately owned, they account for 40% of the country's 219 million students enrolled.

An increase in GPRS use and the introduction of 3G technology in India should also give a boost to concepts such as e-learning in the country. The e-learning market is currently estimated at US\$21.5 million and is projected to grow to US\$225 million by 2012.

The Indian middle class is expected to expand significantly, from 300 million people today to 583 million people in 2025. By 2025, about three-quarters of India's urbanites will be part of the middle class, compared with slightly more than one-tenth today. As Indians continue to climb the economic ladder, the composition of their spending will likely change significantly. Spending on education is expected to grow by 11% over the next 20 years, to 9% of the household income. With the growth of the Indian middle class and the increase in its members' spending power, there is expected to be a major supply-demand gap, which opens up many entrepreneurial opportunities in this sector.

The \$6.4bn coaching class market is growing at 25% yoy 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.

Competitive entrance examination is a screening process for providing education in various engineering, medical, MBA, accountancy MCA field. There are various education companies that provide coaching to the students who aspire to get admission in such fields.

#### Statistics on Test Preparation Market\*

Particulars	Total Students	% being Coached	Students Enrolled	Average Fees	Market Size(\$ m)
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
CET	6,00,000	50	3,00,000	10,000	75
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 3m 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**

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

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 program over the years but in the absence of proper implementation and monitoring have failed to achieve the required targets.

Government of India through its various ministries encourages development of skills among the youth and tried to make them employable and also taken various steps allocate budget for skill development through public private partnership basis.

#### **Khadi and Village Industries Commission**

The KVIC conducts and facilitates training in numerous kinds of courses. These courses range from a couple of weeks to 2 years in duration.

#### **Ministry of Tribal Affairs**

The Ministry of Tribal Affairs initiatives include working through the Non Governmental Organizations or Voluntary Organizations in providing professional coaching institutions for ST students to appear in Competitive Examinations.

#### **Ministry of Rural Development, Department of Rural Development**

The MoRD launched the Swarnjayanti Gram Swarozgar Yojana (SGSY) on 1st April, 1999 with a view to ensure inclusion of the rural poor in the growth of the nation. It aims to bring the assisted families above the poverty line by ensuring an appreciable sustained level of income over a period of time.

#### **Ministry of Communications and Information Technology, Department of Information Technology**

The Ministry of Communications and Information Technology through its Human Resource Development Division is targeted to ensure availability of trained human resources for the manufacturing & service sectors of the electronics and IT industry. The initiatives carried out include identifying gaps emerging from the formal sector and planning programmes in the non-formal and formal sectors for meeting these gaps.

## **OPPORTUNITY**

### **GATE-GRADUATE APPTITUDE TEST IN ENGINEERING**

Every student who wants to pursue higher education in India is aware of GATE. It is one of the most popular competitive exams second to the IITs. One can judge the popularity of a competitive exam by simply the number of students appearing in it. This statistics also allows you prepare harder and put in much more efforts and to aim much higher. And this is the reason why students look around for such valuable information. Irrespective to the number of available seats in the IITs for M.Tech., the number of students keeps increasing each year. With the passing of each year there has been a significant increase in the number of students appearing for the exam and it is anticipated that the same number of students will also appear for GATE exam in 2012 as well. With the limited number of available seats you need to focus more and get an idea as to what you need to do. Although the numbers look scary however, you need to focus and be sincere towards your preparation.



<b>Discipline</b>	<b>Number of Students</b>
Computer Science and Engineering and IT	1,36,027
Electronics and Communication Engineering	1,37,853
Electrical Engineering	72,680
Mechanical Engineering	81,175
Civil Engineering	29,347
Instrumentation Engineering	18,456
Chemical Engineering	12,994
Production and Industrial Engineering	3,792
Biotechnology	16,425
<b>Total</b>	<b>5,08,749</b>

### **PROSPECT & OUTLOOK**

The company is engaged in most rewarding coaching segment of the education sector and the company also started skill development courses. The Company has already entered into a takeover agreement with the Promoters of Lifelong Learning Academy Private Limited, a Delhi based finishing school for acquisition of 51% stake in the company. The Company is looking for more acquisition in skill development sector in the near future.

### **RISKS AND CONCERNS**

The Company is engaged in Tutoring and Coaching Segment and also the Skill Development Segment. 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. There are lot of local player in this sector, which leads to fragmented and unorganized sector.

### **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

There are well-established procedures for Internal Controls for operations of the company & its subsidiaries. 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. To ensure quality of delivery, the company is now focusing mainly on satellite mode of transmission of its coaching.

### **HUMAN RESOURCES**

Human Resources are highly valued assets at DMC Education Limited. The company seeks to attract, retain and nurture qualified and good faculty, 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 rests on the pillars of transparency, accountability, integrity, equity and environment responsibility in all facets of its operations. Good Corporate Governance therefore, embodies both enterprise (performance) and accountability (conformance).

Independent directors are appointed not merely to fulfill the listing requirement but for their diverse skills, experience and external objectivity that they bring to effectively perform their role to provide strategic direction and guidance and provide constructive support to management by asking the right questions and generating quality debates and discussions on major decisions.

### MANDATORY REQUIREMENTS

#### 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 four 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 discuss each agenda in the meeting and take decision after having a proper discussion and obtaining views of all members. 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 Twenty Board Meetings have taken place on 8.04.2010, 04.05.2010, 28.05.2010, 02.06.2010, 10.06.2010, 13.07.2010, 31.07.2010, 18.08.2010, 04.09.2010, 30.09.10, 1.10.2010, 18.10.2010, 02.11.2010, 9.11.2010, 12.11.2010, 31.12.2010, 3.01.2011, 14.02.2011, 24.03.2011 & 31.03.2011.

The composition and category of Board during the year as follows:

Name of the Director	Designation	Category
Mr. Sham Sunder Gupta	Managing Director	Executive
Dr. Prem Kumar Awasthi	Chairman	Non -Executive & Independent
Mrs. Saroj Gupta	Wholetime Director	Executive & Promoter
Mr. Babu Lal Vijay	Director	Non -Executive & Independent
*Mr.Dhruv Kumar Agarwal	Director	Non -Executive

\*Resigned w.e.f. July 31st , 2010

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

Name of the Director	Designation	Category	No. of Board Meetings attended	LastAGM attended
Mr. Sham Sunder Gupta	Managing Director	Executive Director	20	Yes
Dr. Prem Kumar Awasthi	Chairman	Non - Executive & Independent	20	Yes
Mrs. Saroj Gupta	Wholetime Director	Executive & Promoter	9	No
Mr. Babu Lal Vijay	Director	Non - Executive & Independent	1	No
Mr. Dhruv Kumar Agarwal	Director	Non - Executive Director	6	No

**COMMITTEE OF DIRECTORS****AUDIT COMMITTEE****COMPOSITION AND MEETINGS OF AUDIT COMMITTEE**

The Audit Committee of the Company has been constituted as per the requirements of clause 49 of listing agreement, the audit committee met four times during the year 2010-11 on 28th May 2010, 31st July 2010, 09th November 2010 & 14th February 2011

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	Member	Executive Director
Mr. Babu Lal Vijay	Member	Non - Executive & Independent
Mr. Dhruv Kumar Agarwal	Member	Non - Executive

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	Member	Executive Director	4
Mr. Babu Lal Vijay	Member	Non - Executive & Independent	1
Mr. Dhruv Kumar Agarwal	Member	Non - Executive	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.

The Composition of Remuneration Committee is as follows:

Name of the Director	Designation	Category
Dr. Prem Kumar Awasthi	Chairman	Non-Executive & Independent
Babu Lal Vijay	Member	Non -Executive & Independent
Saroj Gupta	Member	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
Babu Lal Vijay	Member	Non -Executive & Promoter	1
Saroj Gupta	Member	Executive Director	4

**SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE:**

The Committee, inter alia, approves issue of duplicate certificates and oversees and reviews all matters connected with transfer of securities of the Company. The Committee also looks into redressal of shareholders'/ investors' complaints related to transfer of shares, non-receipt of Balance Sheet, non- receipt of declared dividend, etc. The Committee oversees performance of the Registrar and Transfer Agents of the Company and recommends measures for overall improvement in the quality of investor services.

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

Name of the Director	Designation	Category
Dr. Prem Kumar Awasthi	Chairman	Non -Executive &Independent
Babu Lal Vijay	Member	Non -Executive & Independent
Saroj Gupta	Member	Executive

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
Babu Lal Vijay	Member	Non -Executive & Independent	4
Saroj Gupta	Member	Executive & Promoter	4

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 31.03.2011.

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 **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.

**CODE OF CONDUCT:**

As per Clause 49 (I) (D), the Board of the Company has laid down Code of Conduct for all the Board members of the Company and Senior Management as well and the same has been posted on Website of the Company. Annual Compliance Report for the year ended 31st March, 2011 has been received from all the Board members and senior management of the Company regarding the compliance of all the provisions of Code of Conduct. Declaration regarding compliance by Board members and senior management personnel with the Company's Code of Conduct is hereby attached as annexure to this report.

**MATERIAL NON-LISTED SUBSIDIARY COMPANIES**

Clause 49 defines a 'material non-listed Indian subsidiary' as an unlisted subsidiary, incorporated in India, whose turnover or net worth (i.e. paid-up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

Company does not have any such subsidiary during the accounting year under review

**COMPLIANCE OFFICER OF THE COMPANY**

CS Parul Bhargava  
Company Secretary

**GENERAL BODY MEETING**

Annual General Meeting held during the previous financial year

Year	Date	Venue	Time	Special Business Transacted
2010	30.09.2010	Arya Public School, Raja Bazar, Connaught Place, New Delhi-110001.	4:30 p.m.	Appointment of Mrs. Saroj Gupta as Whole-Time Director of the Company.  Appointment of Mr. Babu Lal Vijay as Director of the Company.  Issue of Convertible Debentures to HT Media Limited

All resolutions proposed for the above said meetings were duly passed by show of hands.

**POSTAL BALLOT RESOLUTION**

Date of Declaration	Particulars of Resolution	Types of Resolution	Total Valid Votes	Votes in favor	Votes against
13.12.2010	Issue of Fully Convertible Debenture to Brand Equity Treaties Limited, a Times of India Group Company	Special	435977	435977	0
13.12.2010	Confirmation of Appointment and Increase in Salary of Mr. Bharat Gupta as Chief Technology Officer.	Special	435977	435977	0

**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 passed 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 results and yearly audited are published in prominent daily newspapers, viz. Financial Express (English daily) and Jansatta (vernacular newspaper) and are also posted on our website.

Up-to-date financial results, annual reports, shareholding patterns, official news releases, financial analysis reports, latest presentation made to the institutional investors and other general information about the Company are available on the Company's website [www.dmceducation.com](http://www.dmceducation.com)

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 are also sent to the shareholders well in advance for making appropriate decision.

**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.

**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: 30th September 2011

Time: 4:30 P.M.

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

**FINANCIAL CALENDAR (tentative)**

Financial Year- 1st April 2011 to 31st March 2012

Financial Reporting for the First Quarter ending 30th June 2011 : 12/08/2011

Financial Reporting for the Half Year ending 30th September 2011 : 15/11/2011

Financial Reporting for the Third Quarter ending 31st December 2011 : 15/02/2012

Financial Reporting for the Quarter & Year ending 31st March 2012 : 31/05/2012

**DATE OF BOOK CLOSURE:**

26th September, 2011 to 30th September, 2011 (both days inclusive)

**LISTING ON STOCK EXCHANGE:**

Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001.

Delhi Stock Exchange Limited, DSE House, 3/1 Asaf Ali Road, Delhi-110002

**CORPORATE IDENTIFICATION NUMBER: L80211DL1984PLC018554**

**STATUS FOR SHAREHOLDERS' COMPLAINTS FOR THE PERIOD 01.04.2010 TO 31.03.2011**

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 AS ON 31ST MARCH 2011**

Category	Total No. of Shares	%age
Promoter		
a) Indian	9071737	39.79%
b) Foreign	-	-
Public		
a) Institutional Shareholding	-	-
b) General Public	13725063	60.21%

**DISTRIBUTION OF SHAREHOLDERS AS ON 31ST MARCH 2011**

Shareholding of Nominal Value		No. of Shareholder	% of Shareholder	No of Shares held	% of Shareholding
(Rs.)	(Rs.)				
Upto	5000	7110	77.065	2644433	11.60
5001	10000	770	8.346	1273205	5.58
10001	20000	515	5.582	1546103	6.78
20001	30000	283	3.067	1439138	6.31
30001	40000	92	0.997	646902	2.84
40001	50000	124	1.344	1178934	5.17
50001	100000	163	1.767	2412165	10.58
100001	ABOVE	169	1.832	11655920	51.14
	TOTAL	9226	100	22796800	100

**STOCK MARKET DATA**

Stock market data (equity shares of Rs. 5/- each)		Bombay Stock Exchange	
Month	Year	High	Low
April	2010	22.00	17.20
May	2010	21.95	14.30
June	2010	15.25	8.69
July	2010	15.05	9.76
August	2010	13.46	10.30
September	2010	12.89	10.33
October	2010	18.49	10.56
November	2010	26.70	15.20
December	2010	19.95	14.05
January	2011	16.60	12.00
February	2011	15.00	10.30
March	2011	14.00	10.10

**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 that shareholders have an easy access to the Demat system, the company has executed agreements with both Depositories viz. 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 No. for Demat

INE585D01024

**ADDRESS FOR CORRESPONDENCE**

DMC Education Limited,  
H-108, II<sup>nd</sup> Floor, New Asiatic Building,  
Connaught place, New Delhi-110001  
[www.dmceducation.com](http://www.dmceducation.com)

**ADDRESS OF THE REGISTRAR**

Alankit Assignment Limited  
2E/21, Jhandewalan Extension,  
New Delhi-110005

**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, 2nd Floor, 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 31st March 2011 as stipulated in clause 49 of the listing agreement of the said company with the Stock Exchanges in India.

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. 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 31st March 2011, 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: 3rd September 2011**  
**Place: New Delhi**

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

Sd/-  
**CA V. K. Gupta**  
Partner  
M.No.-084450



**CHIEF EXECUTIVE OFFICER (CEO) / CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION**

I, Anuj Ahuja, CEO, of **DMC Education Limited**, to the best of my knowledge and belief hereby certify that:

- (a) I have reviewed financial statements and the cash flow statements for the year and that to the best of my knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are no transactions entered into by the Company during the year that are fraudulent, illegal or violative of the Company's Code of Conduct;
- (c) I accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design and operations of such internal controls, if any, of which I am aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) I have indicated to the auditors and the Audit Committee:
  - (i) Significant changes in the internal control over financial reporting during the year under reference;
  - (ii) Significant changes in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-

Name: Anuj Ahuja  
Designation: CEO

Date : 3rd September 2011  
Place : New Delhi

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND  
SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director. The Code of Conduct as adopted is available on the Company's website. I confirm that the Company has in respect of the Financial Year ended March 31, 2011, received from the Senior Management team of the Company and the members of the Board, a declaration of Compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Company Secretary, Presidents, Sr. Vice Presidents and Vice President Cadre as on March 31, 2011.

For and on Behalf of the Board of Directors

Sd/-  
Sham Sunder Gupta  
Managing Director

Date: 3rd September 2011  
Place: New Delhi

## AUDITOR'S REPORT

To the Members,  
M/s DMC Education Limited,

We have audited the attached Balance Sheet of **M/s DMC Education LIMITED**, as at 31st March 2011 and also the annexed Profit and Loss Account for the year ended on that date. 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 31st March, 2011, and
    - II. In the case of Profit and Loss account, of the profit for the year ended on that date and
    - III. In the case of 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/-  
**CA V. K. Gupta**  
Partner  
M.No.-084450

Place: New Delhi  
Date: 3rd September 2011

## ANNEXURE TO THE AUDITORS' REPORT

To the Members of  
DMC Education 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) There is no stock of the inventory during the year with the company, so question of physical verification of inventories does not arise. Clauses (ii) (b), and (ii) (c) of paragraph 4 of the Companies (Auditor's Report) Amendment Order 2004 are not applicable to the company for the current year.
- (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.
- (b) The company has taken unsecured loan from a party listed in the Register maintained under Section 301 of the Companies Act, 1956. The said register and other compliances has been maintained & complied with properly.
- (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, 2011 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/-  
**CA V. K. Gupta**  
Partner  
M.No.-084450

Place: New Delhi  
Date: 3rd September 2011

## STANDALONE BALANCE SHEET AS AT MARCH 31st, 2011

	Sch.No.	As At 31-03-2011	As At 31-03-2010
<b>I SOURCES OF FUND</b>			
1 SHAREHOLDERS FUND			
a) Share Capital	<b>A</b>	156,684,000	112,484,000
b) Reserves & Surplus	<b>B</b>	151,290,678	116,197,687
2 LOAN FUNDS			
Unsecured Loan	<b>C</b>	10,537,000	408,376
3 Deferred Tax Laibility		4,790,486	1,112,321
<b>TOTAL</b>		<b>323,302,164</b>	<b>230,202,384</b>
<b>II APPLICATIONS OF FUNDS</b>			
1 FIXED ASSETS :	<b>D</b>		
a) Gross Block		61,960,146	60,651,712
b) Less: Depreciation		13,864,048	8,076,186
c) Net Block		48,096,098	52,575,526
d) Content Development		22,582,500	5,250,000
		<b>70,678,598</b>	<b>57,825,526</b>
2 Investments	<b>E</b>	17,224,840	18,443,920
3 Current Assets, Loans & Advances :			
a) Inventories	<b>F</b>	-	17,332,500
b) Sundry Debtors	<b>G</b>	144,718,888	53,956,180
c) Cash and Bank Balances	<b>H</b>	2,723,763	2,962,442
d) Loans and Advances	<b>I</b>	149,802,345	108,185,270
		<b>297,244,996</b>	<b>182,436,392</b>
Less: Current Liabilities & Provisions :			
a) Current Liabilities	<b>J</b>	43,606,373	21,559,979
b) Provisions	<b>K</b>	18,272,119	6,991,809
		<b>61,878,492</b>	<b>28,551,788</b>
Net Current Assets		235,366,504	153,884,604
4 Misc.Exps.(To the extent written off)		32,222	48,334
<b>TOTAL</b>		<b>323,302,164</b>	<b>230,202,384</b>
Significant Accounting Policies and Notes to Accounts	<b>N</b>		

As per our separate report of even date annexed

For M. K. Goswami &amp; Co.

Chartered Accountants

F R No. 002305 N

Sd/-

CA V. K. Gupta

Partner

M.No.84450

Date : 3<sup>rd</sup> September, 2011

Place : New Delhi

For and on behalf of Board

Sd/-

Saroj Gupta

Director

Sd/-

Sham Sunder Gupta

Managing Director

Sd/-

Parul Bhargava

Company Secretary

STANDALONE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011			
	Schedule No.	For the Year ended 31-03-2011	For the Year ended 31-03-2010
<b>INCOME</b>			
Income from Real Estate Operation		-	20,262,825
Education Income		149,725,445	49,658,297
Other Income	<b>L</b>	3,225,000	13,169,016
<b>Total</b>		<b>152,950,445</b>	<b>83,090,138</b>
<b>EXPENDITURES</b>			
Loss on Sale of Shares		-	608,285
Cost of FSI		-	15,153,520
Advertisement Cost		8,423,286	2,988,047
Purchases of Book		70,971,500	27,522,710
Administrative & other Exp.	<b>M</b>	30,216,330	10,340,516
<b>Total</b>		<b>109,611,116</b>	<b>56,613,078</b>
<b>Profit/Loss on before Tax and Depreciation</b>		43,339,329	26,477,060
Less: Depreciation		5,787,863	3,207,927
Profit after Depreciation		37,551,466	23,269,133
Less: Income Tax Expenses			
a) Current Tax		11,280,310	3,954,663
b) Deferred Tax Liabilities/(Assets)		3,678,165	1,349,520
Net Profit after tax		22,592,990	17,964,950
<b>Balance Carried to Balance Sheet</b>		22,592,990	17,964,950
Significant Accounting Policies & Notes on Accounts	<b>N</b>		
<p>As per our separate report of even date annexed</p> <p><b>For M. K. Goswami &amp; Co.</b> Chartered Accountants F R No. 002305 N</p> <p>Sd/- CA V. K. Gupta Partner M.No.84450</p> <p>Date : 3<sup>rd</sup> September, 2011 Place : New Delhi</p> <p style="text-align: right;">For and on behalf of Board</p> <p style="text-align: right;">Sd/- <b>Saroj Gupta</b> Director</p> <p style="text-align: right;">Sd/- <b>Sham Sunder Gupta</b> Managing Director</p> <p style="text-align: right;">Sd/- <b>Parul Bhargava</b> Company Secretary</p>			

Schedules to Balance Sheet as at March 31, 2011		
	As at March 31, 2011 Amount in Rs.	As at March 31, 2010 Amount in Rs.
<b>Schedule-A</b>		
<b>SHARE CAPITAL</b>		
AUTHORISED Capital		
Equity Shares	155,000,000	155,000,000
3,10,00,000 Equity Shares of Rs.5/- each		
Preference Shares	1,000,000	1,000,000
10% Redeemable Preference Shares 2,00,000 Shares of Rs. 5/- Each		
150,000 Convertible Debenture of Rs. 100 each	15,000,000	
1 Convertible Debenture of Rs.26,700,000	<u>26,700,000</u>	-
	<b>197,700,00</b>	<b>156,000,000</b>
<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>		
2,27,96,800 Equity Shares of Rs. 5/-	113,984,000	111,484,000
P.Y. 2,22,96,800 Equity Shares of Rs. 5/-		
2,00,000 Preference Shares of Rs. 5/-	1,000,000	1,000,000
150,000 Convertible Debenture of Rs. 100 each	15,000,000	
1 Convertible Debenture of Rs.26,700,000	<u>26,700,000</u>	-
	<b>156,684,000</b>	<b>112,484,000</b>
Total		
<b>SCHEDULE-B</b>		
<b>RESERVES &amp; SURPLUS</b>		
Capital Reserve		
Balance as per Last Balance Sheet	25,554,847	25,554,847
	(a)	25,554,847
Securities Premium Account		
Balance as per Balance Sheet	73,177,890	60,677,890
	(b)	73,177,890
Capital Redemption Reserve		
	(c)	12,000,000
		12,000,000
Opening Balance Of P&L A/c	17,964,950	
<b>Surplus Balance in Profit &amp; Loss Account</b>	22,592,990	17,964,950
	(d)	40,557,941
		17,964,950
Total	<b>151,290,678</b>	<b>116,197,687</b>
<b>SCHEDULE-C</b>		
<b>LOAN FUND</b>		
Unsecured Loan	10,537,000	408,376
Total	<b>10,537,000</b>	<b>408,376</b>
<b>SCHEDULE-E</b>		
<b>INVESTMENTS</b>		
Investment in Unquoted Shares	16,450,000	-
Right of Construction for FSI	-	17,284,000
Investment in Quoted Shares	774,840	1,159,920
Total	<b>17,224,840</b>	<b>18,443,920</b>
<b>SCHEDULE-F</b>		
<b>INVENTORIES</b>		
Content Development	-	17,332,500
Total	-	<b>17,332,500</b>



	As at March 31, 2011 Amount in Rs.	As at March 31, 2010 Amount in Rs.
<b>SCHEDULE-G</b>		
<b>Sundry Debtors (Unsecured, but considered good)</b>		
- More than six month	50,474,889	12,524,262
- others	94,243,999	41,431,918
Total	<b>144,718,888</b>	<b>53,956,180</b>
<b>SCHEDULE-H</b>		
<b>CASH &amp; BANK BALANCES</b>		
Cash in Hand	2,670,687	2,759,950
Balance with Schedule Banks on Current Accounts	4,225	153,641
Kotak Mahindra Bank(unclaim Interim Dividend for 2006-07) Per Contra	48,851	48,851
Total	<b>2,723,763</b>	<b>2,962,442</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	31,699,266	29,485,613
Advance for acquisition of Property	81,296,651	78,699,656
Advance for Advertisement	35,726,064	-
TDS Receivable for Current Year	1,080,364	-
Total	<b>149,802,345</b>	<b>108,185,269</b>
<b>SCHEDULE-J</b>		
<b>CURRENT LIABILITIES</b>		
Advance Against Property	1,842,000	2,450,000
Sundry Creditors	37,062,842	17,249,205
Interim Dividend Unclaimed Per Contra	48,851	48,851
TDS Payable	1,442,155	272,538
Expense Payable	481,060	251,920
Service Tax Payable	1,404,332	196,332
Advances Received from Customers	1,325,133	1,091,133
Total	<b>43,606,373</b>	<b>21,559,979</b>
<b>SCHEDULE-K</b>		
<b>Provisions</b>		
Provision for FBT	6,991,809	6,991,809
Prov. For Taxation	11,280,310	-
Total	<b>18,272,119</b>	<b>6,991,809</b>
<b>SCHEDULE-L</b>		
<b>OTHER INCOME</b>		
Profit on Sale of Shares & Investments	3,225,000	13,169,016
Total	<b>3,225,000</b>	<b>13,169,016</b>
<b>ADMINISTRATIVE &amp; OTHER EXPENSES</b>		
<b>SCHEDULE-M</b>		
Auditors Remuneration	18,000	26,520
Accounting Charges	35,900	-
Bank Charges	122,572	64,326
Books & Periodicals	275,794	-
Board Meeting Exp.	84,500	12,457
Business Promotion Exp.	949,938	175,666
Commission Exp.	778,985	-
AMC Charges	114,210	58,870
Computer Stationery & Repairs	585,780	118,772
Conveyance	636,613	148,016
Electricity Exp.	377,453	223,451

	As at March 31, 2011 Amount in Rs.	As at March 31, 2010 Amount in Rs.
Electricity Goods Exp.	103,987	-
Fees Refund	244,908	-
Franchisee Exp.	971,970	-
Interest on Loan	38,703	60,597
Construction Exp.	-	425,621
Professional Fees Paid	6,335,686	1,390,565
Listing, Legal & Professional Exp.	130,000	244,744
Internet exp.	121,161	-
Logo Designing	97,650	150,000
Mobile	128,870	-
Misc. Exp.	210,087	63,317
Office Renovation exp.	1,018,980	135,000
Donation	-	5,100
Overtime Paid	440,115	-
Photocopy Exp.	619,987	239,905
Postage & Telegram & Couriers	164,901	38,799
Bad Debts	-	1,368,154
Preliminary Exp.	16,112	16,112
Cable Exp.	4,531	-
L C Fees	-	220,600
Rent of Air Conditioner	48,000	-
Data Validation	218,974	-
Job Work	1,021,269	446,562
Printing & Stationery	586,879	206,276
Rent Exp.	1,323,000	1,257,000
Repair & Maintenance Exp.	160,947	10,000
Refill Cartridge	43,890	-
ROC Exp.	7,325	9,544
Staff Welfare Exp.	501,905	141,202
Salary Exp.	7,613,850	2,468,530
Seminar Expenses	112,770	-
Typing Expense	476,154	-
RPFC fund	-	6,724
Telephones Exp.	492,005	223,402
Trade Mark Exp.	3,500	-
Tour & Travelling	699,490	139,947
Software Updation Charges	23,763	2,357
Water Exp.	117,981	20,058
Incentive	872,210	108,552
Website Maintenance Exp.	778,685	-
Proof Reading Exp.	486,340	113,770
Total	<b>30,216,330</b>	<b>10,340,516</b>

Schedule-D	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
	As on 01/04/2010	Add. during the year	Sale During The Year	Cost as on 31/03/2011	As At 01/04/2010	For the Current Year	Up to 31/03/2011	As on 31/03/2011	As on 31/03/2010	
Particulars										
Computer Furniture & Fixture Office Equipment Camera Air Conditioner	2,381,403 1,075,371 553,485 30,000 97,280	1,013,314 41,450 13,970 - 239,700		3,394,717 1,116,821 567,455 30,000 336,980	1,971,075 481,081 168,414 18,636 6,710	290,408 112,211 54,413 1,581 39,523	2,261,483 593,292 222,827 20,217 46,233	1,133,234 523,529 344,628 9,783 290,747	410,328 594,290 385,071 11,364 90,570	
<b>Intangible Assets</b>										
Production Software Computer Software IPR & Brand Equity	945,600 3,068,573 52,500,000	- - -		945,600 3,068,573 52,500,000	792,413 2,012,856 2,625,000	38,297 263,929 4,987,500	830,710 2,276,785 7,612,500	114,890 791,788 44,887,500	153,188 1,055,717 49,875,000	
<b>Total</b>	<b>60,651,712</b>	<b>1,308,434</b>	-	<b>61,960,146</b>	<b>8,076,185</b>	<b>5,787,863</b>	<b>13,864,048</b>	<b>48,096,098</b>	<b>52,575,528</b>	
Containt Development	5,250,000	17,332,500	-	22,582,500	-	-	-	22,582,500	5,250,000	
<b>Total</b>	<b>65,901,712</b>	<b>18,640,934</b>	-	<b>84,542,646</b>	<b>8,076,185</b>	<b>5,787,863</b>	<b>13,864,048</b>	<b>70,678,598</b>	<b>57,825,528</b>	

<b>CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31ST , 2011</b>			
	<b>For the Year ended 31-3-11</b>		<b>For the Year ended 31-3-10</b>
<b>A Cash Flow from Operating Activities</b>			
Profit before Tax		37,551,466	23,269,133
Adjustments For:			
Depreciation	5,787,863		3,207,927
Interest and Finance Charges	38,703		60,597
(Profit)/ Loss on Sale/ Shares	-		608,285
Provision for Doubtful debts, advances , deposits	-		1,368,154
Interest Income	-		(389,278)
Dividend Income	-		(21,225)
Preliminary Expenses Written Off	16,112		16,112
(Profit)/Loss on sale / Redemption of Investments	(3,225,000)		(12,660,320)
		2,617,678	(7,809,748)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES(A)</b>		<b>40,169,144</b>	<b>15,459,385</b>
ADJUSTMENTS FOR:			
Trade and other receivable	(90,762,708)		(21,201,785)
Inventories	-		35,286,475
Trade Payables	22,046,394		(9,018,885)
Loans & Advances	(41,617,076)		47,166,258
<b>Total (B)</b>		<b>(110,333,390)</b>	<b>52,232,063</b>
<b>NET CASH FLOW FROM OPERATING ACTIVITIES(A+B)</b>		<b>(70,164,246)</b>	<b>67,691,448</b>
<b>B.CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Fixed Assets	(1,308,434)		(54,277,228)
Purchase of Investment			-
Sale of Investment	1,219,080		15,395,501
Interest Received	-		389,278
Dividend	-		21,225
NET CASH FLOW FROM/(USED) IN INVESTING ACTIVITIES		(89,354)	(38,471,224)
<b>C.CASH FLOW FROM FINANCING ACTIVITIES</b>			
Interest Paid	(38,703)		(60,597)
Bad Debts	-		(1,368,154)
Profit on Sale of shares	3,225,000		12,660,320
Loss on Sale of Shares	-		(608,285)
Share Application Money Proceeds Received	44,200,000		0
Security Premium	12,500,000		
Movement in Loans Given	10,128,624		(37,045,278)
<b>NET CASH FLOW FROM/(USED) IN FINANCE ACTIVITIES</b>		<b>70,014,921</b>	<b>(26,421,994)</b>
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIPTMENTS		<b>(238,679)</b>	<b>2,798,230</b>
CASH AND CASH EQUIVALENTS AS AT APRIL 1ST		2,962,441	164,211
CASH AND CASH EQUIVALENTS AS AT MARCH 31ST		2,723,762	<b>2,962,441</b>
Cash and cash equivalents Comprise			
Cash in hand	<b>2,670,687</b>		<b>2,759,950</b>
Balance with Banks	<b>53,076</b>		<b>202,491</b>
	<b>2,723,763</b>		<b>2,962,441</b>

- Note: a) Cash and Cash equivalents include Cash and Cheques in hand and balance with Schedule Bank 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 compare 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. 084450

Place: New Delhi

Date: 3rd September 2011

For and on behalf of Board

Sd/-

**Saroj Gupta**

Director

Sd/-

**Sham Sundar Gupta**

Managing Director

Sd/-

**Parul Bhargava**

Company Secretary

**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 investments 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. Company's liability is actuarially determined at the end of the year.

**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 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 and Minimum Alternate Tax.

**2. NOTES OF ACCOUNTS:**

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

1. Related party where control exists:

Wholly Owned Subsidiary- V Soft Services Private Limited.

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.

**B. TAXATION:**

a) Upon finalization of income tax return of **asst. year 2011-12** an amount of **Rs.1,12,80,310/- (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 01.04.2010	Charged/(credited) to profit and loss account	Closing as on 31.03.2011
<b>Deferred tax liabilities</b>			
Tax impact on account of WDV of fixed assets	11,12,321	36,78,165	47,90,486
<b>Total(A)</b>	<b>11,12,321</b>	<b>36,78,165</b>	<b>47,90,486</b>
<b>Deferred tax assets</b>			
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>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
Net deferred tax liabilities	11,12,321	36,78,165	47,90,486

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

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

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

D. **EARNING PER SHARE.**

Particulars	Year ended as on March 31st, 2011. (Rs.)	Year ended as on March 31st, 2010. (Rs.)
Profit attributable to equity shareholders	2,25,92,990	1,79,64,951
Weighted avg. number of equity shares outstanding during the year	2,27,96,800	2,22,96,800
Nominal value of equity shares	5	5
Basic earning per share	0.99	0.81
Add: effect of potential dilutive shares	NIL	NIL
Weighted avg. No. of shares outstanding considered for determining diluted EPS	2,27,96,800	2,22,96,800
Profit after considering income of potential shares.	2,25,92,990	1,79,64,951
Diluted Earning per share.	0.99	0.81

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/-

**CA V. K. Gupta**

Partner

M.No.-84450

For and on behalf of Board

Sd/-

**Saroj Gupta**

Director

Sd/-

**Sham Sunder Gupta**

Managing Director

Sd/-

**Parul Bhargava**

Company Secretary

## AUDITOR'S REPORT

To the Members,  
**DMC Education Limited,**

We have audited the attached Balance Sheet of **DMC Education Limited**, as at 31st March 2011 and also the annexed Profit and Loss Account for the year ended on that date. 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 31st March, 2011, and
    - II. In the case of Profit and Loss account, of the profit for the year ended on that date and
    - III. In the case of 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/-  
**CA V.K. Gupta**  
Partner  
M.No.-084450

Place: New Delhi  
Date: 3rd September 2011



## ANNEXURE TO THE AUDITORS' REPORT

To the Members of  
DMC Education 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) There is no stock of the inventory during the year with the company, so question of physical verification of inventories does not arise. Clauses (ii) (b), and (ii) (c) of paragraph 4 of the companies (Auditor's Report) amendment order 2004 are not applicable to the company for the current year.
- (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.
- (b) The company has taken unsecured loan from a party listed in the Register maintained under Section 301 of the Companies Act, 1956. The said register and other compliances has been maintained & complied with properly.
- (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, 2011 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/-

**CA V. K. Gupta**  
Partner  
M.No.-084450

Place: New Delhi  
Date: 3rd September 2011

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31st, 2011

Particulars	Schedule No.	As at 31-03-11	As at 31-03-10
<b>I SOURCES OF FUND</b>			
1 SHAREHOLDERS FUND			
a) Share Capital	<b>A</b>	156,684,000	112,484,000
b) Reserve & Surplus	<b>B</b>	155,594,199	118,774,938
2 LOAN FUNDS			
Unsecured Loan	<b>C</b>	11,062,000	408,376
3 Deferred Tax Liability		4,852,211	1,112,153
<b>TOTAL</b>		<b>328,192,410</b>	<b>232,779,467</b>
<b>II APPLICATIONS OF FUNDS</b>			
1 FIXED ASSETS :	<b>D</b>		
a) Gross Block		64,363,227	63,054,793
b) Less: Depreciation		16,130,138	10,308,279
c) Net Block		48,233,089	52,746,514
d) Content Development		22,582,500	5,250,000
		<b>70,815,589</b>	<b>57,996,514</b>
2 Investments	<b>E</b>	11,724,840	19,645,670
3 Current Assets, Loans & Advances :			
a) Inventories	<b>F</b>	-	18,273,230
b) Sundry Debtors	<b>G</b>	157,688,690	66,208,953
c) Cash and Bank Balances	<b>H</b>	3,005,527	4,299,903
d) Loans and Advances	<b>I</b>	151,185,833	108,381,995
		<b>311,880,050</b>	<b>197,164,081</b>
Less: Current Liabilities & Provisions :			
a) Current Liabilities	<b>J</b>	47,490,208	28,072,293
b) Provisions	<b>K</b>	18,770,082	7,002,839
		<b>66,260,290</b>	<b>35,075,132</b>
Net Current Assets		245,619,760	162,088,949
4 Misc.Exps.(To the extent written off)		32,221	48,334
<b>TOTAL</b>		<b>328,192,410</b>	<b>239,779,467</b>
Significant Accounting Policies and Notes to Accounts	<b>O</b>		

As per our separate report of even date annexed

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

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

Date : 3<sup>rd</sup> September, 2011  
Place : New Delhi

For and on behalf of Board

Sd/-  
**Saroj Gupta**  
Director

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

Sd/-  
**Parul Bhargava**  
Company Secretary

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011			
	Schedule No.	For the Year ended 31-03-2011	For the Year ended 31-03-2010
<b>INCOME</b>			
Income from Real Estate Operation		-	20,262,825
Education Income		165,738,129	61,549,967
Other Income		3,749,313	13,169,016
Increase/ (Decrease) in stock			(1,386,500)
<b>Total</b>		<b>169,487,442</b>	<b>93,595,308</b>
<b>EXPENDITURES</b>			
Loss on Sale of Shares		-	608,285
Cost of FSI		-	15,153,520
Advertisement Cost		8,448,036	3,004,727
Purchases of Book		80,366,431	36,564,035
Administrative & other Exp.		35,013,522	11,586,675
<b>Total</b>		<b>123,827,989</b>	<b>66,917,242</b>
<b>Profit / Loss on before Tax and Depreciation</b>		45,659,453	26,678,066
Less: Depreciation		5,821,860	3,244,357
Profit after Depreciation		39,837,593	23,433,709
Less: Income Tax Expenses			
a) Current Tax		11,778,273	3,980,093
c) Deferred Tax Liabilities/(Assets)		3,740,058	1,407,897
Net Profit after tax		24,319,262	18,045,719
<b>Balance Carried to Balance Sheet</b>		24,319,262	18,045,719
Significant Accounting Policies & Notes on Accounts	<b>O</b>		
<p>As per our separate report of even date annexed</p> <p><b>For M. K. Goswami &amp; Co.</b> Chartered Accountants F R No. 002305 N</p> <p>Sd/- CA V. K. Gupta Partner M.No.84450</p> <p>Date : 3<sup>rd</sup> September, 2011 Place : New Delhi</p> <p style="text-align: right;">For and on behalf of Board</p> <p style="text-align: right;">Sd/- <b>Saroj Gupta</b> Director</p> <p style="text-align: right;">Sd/- <b>Sham Sunder Gupta</b> Managing Director</p> <p style="text-align: right;">Sd/- <b>Parul Bhargava</b> Company Secretary</p>			

Schedules to Balance Sheet as at March 31, 2011		
	As at March 31, 2011 Amount in Rs.	As at March 31, 2010 Amount in Rs.
<b>Schedule-A</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED Capital</b>		
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
150,000 Convertible Debenture of Rs. 100 each	15,000,000	
1 Convertible Debenture of Rs.26,700,000	26,700,000	-
	<b>41,700,000</b>	
	<b>197,700,000</b>	<b>156,000,000</b>
<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>		
2,27,96,800 Equity Shares of Rs. 5/-	113,984,000	111,484,000
2,00,000 Preference Shares of Rs. 5/-	1,000,000	1,000,000
150,000 Convertible Debenture of Rs. 100 each	15,000,000	
1 Convertible Debenture of Rs.26,700,000	26,700,000	-
	<b>41,700,000</b>	
Total	<b>156,684,000</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	25,554,847
(a)	25,554,847	25,554,847
Securities Premium Account		
Balance as per Balance Sheet	76,427,890	63,927,890
(b)	76,427,890	63,927,890
Capital Redemption Reserve	12,000,000	12,000,000
(c)	12,000,000	12,000,000
Opening Balance Of P&L A/c	17,292,201	17,292,201
<b>Surplus Balance in Profit &amp; Loss Account</b>	24,319,262	17,292,201
(d)	41,611,462	17,292,201
Total	<b>155,594,199</b>	<b>118,774,938</b>
<b>SCHEDULE-C</b>		
<b>LOAN FUND</b>		
Unsecured Loan	11,062,000	408,376
Total	<b>11,062,000</b>	<b>408,376</b>
<b>SCHEDULE-E</b>		
<b>INVESTMENTS</b>		
Investment in Unquoted Shares	10,950,000	1,201,750
Right of Construction for FSI	-	17,284,000
Investment in Quoted Shares	774,840	1,159,920
Total	<b>11,724,840</b>	<b>19,645,670</b>
<b>SCHEDULE-F</b>		
<b>INVENTORIES</b>		
Content Development	-	17,332,500
Finished Goods	-	940,730
Total	-	<b>18,273,230</b>

	As at March 31, 2011 Amount in Rs.	As at March 31, 2010 Amount in Rs.
<b>SCHEDULE-G</b>		
<b>Sundry Debtors (Unsecured, but considered good)</b>		
- More than six month	50,775,073	13,329,212
- others	106,913,617	52,879,741
Total	<b>157,688,690</b>	<b>66,208,953</b>
<b>SCHEDULE-H</b>		
<b>CASH &amp; BANK BALANCES</b>		
Cash in Hand	2,937,580	3,074,312
Balance with Schedule Banks on Current Accounts	19,096	1,176,740
Kotak Mahindra Bank(unclaim Interim Dividend for 2006-07) Per Contra	48,851	48,851
Total	<b>3,005,527</b>	<b>4,299,903</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	32,341,669	29,491,253
Advance for acquisition of Property	81,296,651	78,699,656
Advance for Advertisement	35,726,064	-
TDS Receivable for Current Year	1,080,364	-
Deposits	741,085	191,085
Total	<b>151,185,833</b>	<b>108,381,994</b>
<b>SCHEDULE-J</b>		
<b>CURRENT LAIBILITIES</b>		
Advance Against Property	1,842,000	2,450,000
Sundry Creditors	40,455,803	23,736,457
Interim Dividend Unclaimed Per Contra	48,851	48,851
TDS Payable	1,442,155	272,538
Expense Payable	481,060	251,920
Service Tax Payable	1,404,333	196,332
Advances Received from Customers	1,325,133	1,091,133
Other Liabilities	490,873	25,062
Total	<b>47,490,208</b>	<b>28,072,293</b>
<b>SCHEDULE-K</b>		
<b>Provisions</b>		
Provision for Taxation(Previous Year)	6,991,809	7,002,839
Prov. For Taxation	11,778,273	-
Total	<b>18,770,082</b>	<b>7,002,839</b>
<b>SCHEDULE-L</b>		
<b>OTHER INCOME</b>		
Profit on Sale of Shares & Investments	3,225,000	13,169,016
Other Income	524,313	-
Total	<b>3,749,313</b>	<b>13,169,016</b>
<b>SCHEDULE - M</b>		
<b>INCREASE / (DECREASE) IN STOCK</b>		
CLOSING STOCK		
FINISHED GOODS	-	940,730
LESS: OPENING STOCK		
FINISHED GOODS	-	2,327,230
INCREASE/(DECREASE)	-	(1,386,500)

<b>ADMINISTRATIVE &amp; OTHER EXPENSES SCHEDULE-N</b>	<b>As at March 31, 2011 Amount in Rs.</b>	<b>As at March 31, 2010 Amount in Rs.</b>
Auditors Remuneration	26,000	34,520
Accounting Charges	37,400	-
Bank Charges	134,034	81,036
Books & Periodicals	275,794	-
Board Meeting Exp.	84,500	12,457
Business Promotion Exp.	1,091,328	175,666
Commission Exp.	1,099,938	40,430
Development Charges	115,500	42,500
AMC Charges	114,210	58,870
Computer Stationery & Repairs	684,361	118,772
Convenyance	724,207	148,016
Electricity Exp.	425,980	272,903
Electricity Goods Exp.	103,987	-
Fees Refund	244,908	-
Franchisee Exp.	971,970	-
Interest on Loan	38,703	60,597
Construction Exp.	-	425,621
Professional Fees Paid	6,335,686	1,390,565
Listing, Legal & Professional Exp.	188,215	269,044
Internet exp.	1,023,141	-
Logo Designing	97,650	150,000
Mobile	128,870	-
Misc. Exp.	367,256	65,822
Office Renovation exp.	1,193,311	157,095
Donation	-	5,100
Overtime Paid	440,115	-
Photocopy Exp.	674,146	239,905
Postage & Telegram & Couriers	174,154	45,124
Profit/Loss on sale of Assets/ Shares	428,750	4,536.82
Bad Debts	-	1,368,154
Preliminary Exp.	16,112	16,112
Cable Exp.	4,531	-
L C Fees	-	220,600
Rent of Air Conditioner	48,000	-
Data Validation	218,974	-
Job Work	1,021,269	446,562
Printing & Stationery	639,818	270,939
Professional tax	16,002	-
Rent Exp.	1,923,000	1,257,000
Repair & Maintenance Exp.	579,112	20,681
Refill Cartridge	43,890	-
ROC Exp.	7,945	12,164
Staff Welfare Exp.	677,389	141,202
Salary Exp.	8,987,350	3,418,316
Seminar Expenses	112,770	-
Typing Expense	476,154	-
RPFC fund	-	6,724
Telephones Exp.	595,324	224,957
Trade Mark Exp.	3,500	-
Tour & Travelling	798,729	139,947
Software Updation Charges	23,763	2,357
Water Exp.	162,726	20,058
Incentive	946,710	108,552
Proof Reading Exp.	486,340	113,770
<b>Total</b>	<b>35,013,522</b>	<b>11,586,675</b>

Particulars	<b>GROSS BLOCK</b>				<b>DEPRECIATION BLOCK</b>				<b>NET BLOCK</b>	
	As on 01/04/2010	Add. during the year	Sale During The Year	Cost as on 31/03/2011	As At 01/04/2010	For the Current Year	Up to 31/03/2011	As on 31/03/2011	As on 31/03/2010	
Computer Furniture & Fixture Machinery & Equipment Office Equipment Camera Air Conditioner	2,503,528 1,231,551 2,033,937 644,324 30,000 97,280	1,013,314 41,450 13,970 - 239,700	-	3,516,842 1,273,001 2,033,937 658,294 30,000 336,980	2,008,545 610,933 1,989,043 244,141 18,636 6,710	310,204 122,097 - 58,729 1,581 39,523	2,318,749 733,030 1,989,043 302,870 20,217 46,233	1,198,093 539,971 44,894 355,424 9,783 290,747	494,983 620,618 44,894 400,183 11,364 90,570	
<b>Intangible Assets</b> Production Software Computer Software IPR & Brand Equity	945,600 3,068,573 52,500,000	- - -	-	945,600 3,068,573 52,500,000	792,413 2,012,856 2,625,000	38,297 263,929 4,987,500	830,710 2,276,785 7,612,500	114,890 791,788 44,887,500	153,188 1,055,717 49,875,000	
<b>Total</b>	<b>63,054,793</b>	<b>1,308,434</b>	-	<b>64,363,227</b>	<b>10,308,278</b>	<b>5,821,860</b>	<b>16,130,138</b>	<b>48,233,089</b>	<b>52,746,517</b>	
Content Development	5,250,000	17,332,500	-	22,582,500	-	-	-	22,582,500	5,250,000	
<b>Total</b>	<b>68,304,793</b>	<b>18,640,934</b>	-	<b>86,945,727</b>	<b>10,308,278</b>	<b>5,821,860</b>	<b>16,130,138</b>	<b>70,815,589</b>	<b>57,996,517</b>	



**SCHEDULE 'O'****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 investments 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. Company's liability is actuarially determined at the end of the year.

**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 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 and Minimum Alternate Tax.

**2. NOTES OF ACCOUNTS:**

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

1. Related party where control exists:  
Wholly Owned Subsidiary- V Soft Services Private Limited.
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.

**B. TAXATION:**

- a) Upon finalization of income tax return of **asst. year 2011-12** an amount of **Rs.1,12,80,310/- (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 01.04.2010	Charged/(credited) to profit and loss account	Closing as on 31.03.2011
<b>Deferred tax liabilities</b>			
Tax impact on account of WDV of fixed assets	11,12,321	37,40,058	48,52,211
<b>Total(A)</b>	<b>11,12,321</b>	<b>37,40,058</b>	<b>48,52,211</b>
<b>Deferred tax assets</b>			
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>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
Net deferred tax liabilities	11,12,321	37,40,058	48,52,211

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

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

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

D. **EARNING PER SHARE.**

Particulars	Year ended as on March 31st, 2011. (Rs.)	Year ended as on March 31st, 2010. (Rs.)
Profit attributable to equity shareholders	2,43,19,262	1,80,45,719
Weighted avg. number of equity shares outstanding during the year	2,27,96,800	2,22,96,800
Nominal value of equity shares	5	5
Basic earning per share	1.07	0.81
Add: effect of potential dilutive shares	NIL	NIL
Weighted avg. No. of shares outstanding considered for determining diluted EPS	2,27,96,800	2,22,96,800
Profit after considering income of potential shares.	2,43,19,262	1,80,45,719
Diluted Earning per share.	1.07	0.81

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/-

**CA V. K. Gupta**

Partner

M.No.-84450

For and on behalf of Board

Sd/-

**Saroj Gupta**

Director

Sd/-

**Sham Sunder Gupta**

Managing Director

Sd/-

**Parul Bhargava**

Company Secretary

**DMC EDUCATION LIMITED**

**Regd. Office:** H-108, 2nd, Floor, 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 on my/our behalf at the 27th Annual General Meeting of the Company to be held on Friday the 30th September, 2011 at 4.30 p.m. at Arya Public School, Raja Bazar, Connaught Place, New Delhi-110001 and at any adjourned meeting thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2011

Signature \_\_\_\_\_

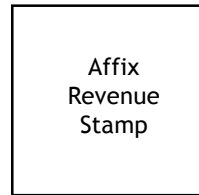
Regd. Folio No. \_\_\_\_\_

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, 2nd Floor, 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 Shareholder/Proxy for the registered Shareholder of the Company.

I hereby record my presence at the 27<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 Friday the 30th September, 2011.

\_\_\_\_\_  
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.