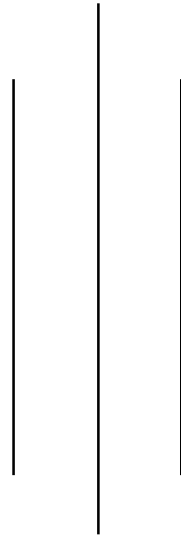


# **DMC EDUCATION LIMITED**



## **ANNUAL REPORT 2011-12**

**Registered Office**  
H-108, New Asiatic Building  
Connaught Place, New Delhi-110001  
E-mail: [international.dmc12@gmail.com](mailto:international.dmc12@gmail.com)  
Phone No. -+91-11-43694444 (30 lines)

**-: CORPORATE INFORMATION:-**

**Board of Directors**

1. Mrs. Saroj Gupta
2. Mr. Sham Sunder Gupta
3. Mr. Babu Lal Vijay
4. Mr. Ravi Saini

Whole Time Director  
Managing Director  
Director  
Additional Director

**Statutory Auditors**

M/s M. K. Goswami & Co.  
Chartered Accountants  
1st Floor, 4/8 Asaf Ali Road  
New Delhi-110002

**Bankers**

Punjab National Bank  
State Bank of India  
ICICI Bank  
IDBI Bank

**Share Transfer Agent**

M/s Alankit Assignment Ltd.  
2E/21, Jhandewalan Extension,  
New Delhi-110005

**Registered Office**

H-108, New Asiatic Building  
Connaught Place, New Delhi-110001  
E-mail: international.dmc12@gmail.com  
Phone No. +91-11-43694444 (30 lines)

## NOTICE

Notice is hereby given that the 28th Annual General Meeting of 'DMC EDUCATION LIMITED' will be held on Saturday 29th September 2012 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 2012 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 Mr. Babulal Vijay who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Statutory Auditor & authorise Board to fix their remuneration.

### SPECIAL BUSINESS:

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

**RESOLVED THAT** pursuant to the provisions of Section 257 and other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of shareholders in general meeting, Mr. Ravi Saini who was appointed as an Additional Director in the meeting of the Board of Directors held on 11th August, 2012 whose term expires at the ensuing Annual General Meeting of the company and for the appointment of whom the Company has received a proposal for the office of the Director be and is hereby appointed as a Director of the Company whose period of office will be liable to determination by retirement of directors by rotation."

None of the Directors is interested or concerned in the above resolution except Mr. Ravi Saini.

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

**"RESOLVED THAT** pursuant to section 97 of the Companies Act, 1956, & other applicable provision, if any, the Authorised Share Capital of the Company be increased from Rs. 15,60,00,000/- (Rs. Fifteen Crores Sixty Lakhs Only) divided into 3,10,00,000 (Three Crore and Ten Lakh) Equity Shares and 2,00,000 (Two Lakh) preference shares of Rs. 5/- (Rs. Five) each to Rs. 16,60,00,000/- ( Rs. Sixteen Crores and Sixty Lakhs Only) divided into 3,30,00,000 (Three Crore and Thirty Lakh) Equity Shares and 2,00,000 (Two Lakh) preference shares of Rs. 5/- (Rs. Five) each by addition of further 20,00,000 (Twenty Lakh) Equity Shares of Rs. 5/- each which shall ranking pari-passu, in all respects, with the existing shares in the Company.

**"FURTHER RESOLVED THAT** the words and figures in clause V of the Memorandum of Association of the Company, be altered by substituting the following new clause, in place of the present clause thereof:

**"The share capital of the company is Rs. 16,60,00,000/- (Rupees Sixteen Crores Sixty Lakhs Only) divided into 3,30,00,000 (Three Crore and Thirty Lakh) Equity Shares and 2,00,000 (Two Lakh) preference shares of Rs. 5/- (Rupees Five) Each."**

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

**Date: 4th September 2012  
Place: New Delhi**

**By Order of the Board  
of DMC Education Limited**

**Sd/-  
Saroj Gupta  
Whole Time Director  
DIN: - 00033430**

## 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 24th September 2012 to 29th September 2012 (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.

### EXPLANATORY STATEMENT ANNEXED TO THE NOTICE OF THE EXTRAORDINARY GENERAL MEETING OF THE COMPANY PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

#### ITEM NO. 1

Mr. Ravi Saini was appointed as an Additional Director of the Company with effect from 11th August, 2012, his term as an Additional Director expires on the date of this Annual General Meeting pursuant to section 260 of the Companies Act, 1956 and Articles of Association of the Company. A notice under section 257 of the Act with a deposit of Rs. 500/- which will be refunded if the appointment is confirmed has been received from a member signifying his intention to propose the name of Mr. Ravi Saini for the appointment as Director of the Company. Mr. Ravi Saini has filled with Company his consent to act as a Director.

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

None of the Directors of the Company are concerned or interested in the Resolution except Mr. Ravi Saini.

**ITEM NO. 2**

The Company is in process of conversion of 1 (One) zero% fully convertible debenture of Rs. 2,67,00,000/- ( Rupees Two Crores Sixty-seven Lakhs Only) into equity shares and the present authorised capital of the Company is insufficient to give effect to the conversion mentioned above. So the Board of Directors of the company recommends to increase the Existing Authorised Share Capital of Company which is Rs. 15,60,00,000/- (Rupees Fifteen Crores Sixty Lakhs Only) divided into 3,10,00,000 (Three Crore and Ten Lakh) Equity Shares and 2,00,000 (Two Lakh) preference shares of Rs. 05/- (Rs. Five) Each to Rs. 16,60,00,000/- ( Rs. Sixteen Crores and Sixty Lakhs Only) divided into 3,30,00,000 (Three Crore and Thirty Lakh) Equity Shares and 2,00,000 (Two Lakh) preference shares of Rs. 5/- (Rs. Five) Each.

For this conversion company require creation of further 20,00,000 (Twenty Lakh) Equity Shares of Rs. 5/- (Rs. Five) each. These shares shall rank pari-passu with the existing shares of the Company. After this clause V of Memorandum of Association shall be substituted by new Clause V, which shall be read as under;

**"The share capital of the company is Rs. 16,60,00,000/- (Rupees Sixteen Crores Sixty Lakhs Only) divided into 3,30,00,000 (Three Crore and Thirty Lakh) Equity Shares and 2,00,000 (Two Lakh) preference shares of Rs. 5/- (Rupees Five) Each."**

The Directors of the company recommend this resolution for approval of Shareholders in General Meeting.

A Copy of the Memorandum & Article of Association of the Company is available for inspection on all working during the business hours at the registered office of the Company

**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	Babu Lal Vijay
Date of Birth	22/07/1957
Date of Appointment	04/05/2010
Expertise	Business Administration

PARTICULARS	
Name	Ravi Saini
Date of Birth	05/051963
Date of Appointment	11/08/2012
Expertise	Financial Planning

## DIRECTOR'S REPORT

Dear Shareholders,

The Directors of your company have pleasure in presenting herewith the 28th Annual Report of your company together with the Audited Statement of Accounts for the Financial Year ended March 31, 2012.

### 1. FINANCIAL RESULTS:

The standalone audited financial results for the year ended March 31st, 2012 are as follows:

(Rs. In lakhs)

Particulars	Year ended on 31.03.2012	Year ended on 31.03.2011
Total Income	1376.78	1529.50
Profit Before Tax	0.973	(250.55)
Less: Provision for Tax	16.23	36.78
Profit after Tax Adjustment	(15.26)	(287.33)

### 2. DIVIDEND:

The Directors of your Company do not recommend any dividend to the Shareholders for the Financial Year 2011-2012, as there are no profits in the company during the current Financial year.

### 3. TRANSFER TO RESERVES:

The Company does not transfer any amount to the General Reserve as there are no profits available for appropriations.

### 4. PERFORMANCE PREVIEW:

Total income for the year is Rs.1376.78 Lacs (Previous Year Rs. 1529.50 Lacs). Profit for the year is Rs. 0.973 Lacs (Previous Year loss Rs. 250.55 lacs) but after making adjustment for the tax the net loss is Rs. 15.26 Lacs against a net loss of Rs. 287.33 Lacs in the previous Year.

### 5. CHANGES IN CAPITAL STRUCTURE:

The Board of Directors of the Company in its meeting held on 14th November 2011, inter alia, has allotted 15, 29,052 equity shares of face value of Rs. 5/- each at a premium of Rs. 4.81/- to **HT Media Ltd.** pursuant to the conversion of 150000 zero %age Fully Convertible Debenture of Rs. 100/- each issued on 9th November, 2010.

The Board of Directors of the Company in its meeting held on 11th August 2012, inter alia, has allotted 36,32,356 equity shares of face value of Rs. 5/- each at a premium of Rs. 2.3506/- to **Brand Equity Treaties Ltd.** pursuant to the conversion of one zero %age Fully Convertible Debenture of Rs. 2, 67, 00,000/- each issued on 14th February, 2011.

### 6. SUBSIDIARIES:

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

**Vsoft** is 14 years old Mumbai based Indian Language software Development Company. Vsoft Services Pvt. Ltd, promoted by Mr. Rajiv Prakash Khare (M.Tech-IIT, Mumbai) is the pioneer in development of Indian bilingual software. Recently DMC takeover the Company and the total takeover consideration is fixed at Rs.1, 50, 00,000/- (Rupees One Crores and Fifty Lacs Only).

Mr. Bharat Gupta and Mr. Atul Garg was appointed as nominee directors in the Board of Vsoft. Mr. Bharat, BE-Computer Science from Delhi University, previously working with MERCER, USA and also Newgen Software Technologies. Mr. Atul Garg is an electrical engineer and have over 20 years of IT experience. He has worked with IBM and also worked with National Police Mission and currently handling IT implementation in Land record reforms for Yamuna Expressway Industrial Development Authority.

**7. PARTICULARS REQUIRED AS PER SECTION 212 OF THE COMPANIES ACT, 1956:**

Ministry of Corporate Affairs, pursuant to the provision of Section 212(8) of the Act, vide its circular dated February 8, 2011 has granted general exemption from attaching the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies with the Balance Sheet of the Company.

Board of Directors of the company in its meeting held on 26th April 2011 consented for not attaching the balance sheet of the subsidiary companies. A statement containing brief financial details of the Company's subsidiary for the financial year ended March 31, 2012 is included in the Annual Report. The annual accounts of these subsidiaries and the related detailed information will be made available to any member of the Company/its subsidiaries seeking such information at any point of time and are also available for inspection by any member of the Company/its subsidiaries at the registered office of the Company. The annual accounts of the said subsidiaries will also be available for inspection, as above, at the head offices/registered offices of the respective subsidiary companies. The Company shall furnish a copy of details of annual accounts of subsidiaries to any member on demand.

Further the annual report of the Company contains the consolidated audited financial statements prepared, pursuant to Clause 41 of the Listing Agreement entered into with the stock exchanges and prepared in accordance with the accounting standards notified by Ministry of Corporate Affairs under Accounting Standard Rules 2006. The financial data of the subsidiaries has been furnished along with the statement pursuant to Section 212 of the Companies Act, 1956 forming part of the Annual Report.

**8. DIRECTORS:**

As per section 255 & 256 of the Companies Act, 1956, Mr. Babu Lal Vijay retire by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment. Board recommends your approval for his appointment. Board recommends their re-appointment for your approval.

The brief resume and other details relating to the directors, who are to be appointed/ re-appointed as stipulated under Clause 49(IV)(G) of the Listing Agreement, are furnished in the Notice of AGM forming part of the Annual Report.

**9. COMPANY SECRETARY:**

The Management of the Company is trying to appoint a Company Secretary but Company has not found a suitable Candidate for the office of Company Secretary. Hence the company's Balance Sheet for the Financial Year ended 31st March 2012 has not been authenticated by the Company Secretary.

**10. 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

**11. 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 except AS 15.
- (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, 2012 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.

## **12. 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.

## **13. 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.

## **14. 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 Listing fee for the year 2011-12 has already been paid to BSE.

## **15. BUSINESS OPERATION REVIEW:**

### **REVISION OF ACQUISITION VALUE OF PLANSTEPS**

The Board in its meeting held on 20th October 2011 has decided to revise the acquisition price for taking over PLANSTEPS from Rs. 45 million to Rs. 12.5 million. The Board further confirmed that out of the revised acquisition price, the company will pay Rs. 25 lacs in cash and will issue and allot, subject to necessary statutory approval, 1 (One) Zero %age Fully Convertible Debenture of the Company having a par value of Rs. 1, 00, 00,000/-, compulsory convertible into equity shares with a face value of Rs. 5/- each at the end of 1(One) year from the date of allotment amounting to Rs. 10 million.

## **16. 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 2011-12.

## **17. 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 Statutory Auditor and Management Discussion and Analysis Report are annexed and forms part of this Annual Report.

## **18. NOTES TO ACCOUNTS:**

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

## **19. 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.

## **20. PUBLIC DEPOSITS:**

The Company has not accepted or renewed any sort of deposits during the Financial Year 2011-12 under section 58A and 58AA of the Companies Act, 1956.



**21. 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.

**22. CONSOLIDATED FINANCIAL STATEMENTS:**

As required under the Listing Agreements with the Stock Exchanges Consolidated Financial Statements of the Company and all its subsidiaries are attached. The consolidated Financial statements have been prepared in accordance with Accounting standard 21 ,Accounting standard 23 and Accounting standard 27 issued by The Institute of Chartered Accountants of India and showing the financial resources, assets, liabilities, income, profits and other details of the Company and its subsidiaries as a single entity, after elimination of minority interest.

**23. 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.

**24. 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.

**25. 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. The Company has a suitable recruitment and human resource management process, which enables us to attract and retain high calibre employees.

**26. 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.

**27. 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.

**28. 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: 4th September 2012  
Place: New Delhi

By the order of Board of Director  
For DMC Education Limited

Sd/-  
Saroj Gupta  
Whole Time Director  
DIN: - 00033430

Sd/-  
Sham Sunder Gupta  
Managing Director  
DIN: - 00006983

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### OPERATING RESULTS OF THE COMPANY

During the Financial Year under consideration the performance of the Company was a bit satisfactory as the company has recovered some of its loss. Standalone Net Loss for the year 2011-12 stood at Rs 15.26 Lacs /- as against loss of Rs 287.33 Lacs/- in the year 2010-11. Furthermore the standalone turnover for the year ended March 31, 2012 stood at Rs. 1376.78 Lacs/-, as compared to Rs. 1529.50 Lacs Rs. for 2010-11.

### INDUSTRY STRUCTURE AND DEVELOPMENT

#### BUDGET 2012-13 HIGHLIGHT ON EDUCATION SECTOR

Union Budget for 2012-13 made almost everyone unhappy but for education sector it was a mix and match of both positive as well as negative aspects. Finance minister allocated more funds for the education sector for setting up new IIMs and IITs and exempted the school level education from service tax but at the same time service tax was increased to 12.36% from 10% which led many B-schools to hike their fee structures.

Some of the major highlights of Budget 2012-13 for education sector are as follows:

- Hike in budget allocation for education sector by 17% i.e. Rs 150 crore for establishing new IITs and IIMs in India.
- Rs 15,458 crore earmarked for higher education.
- School education to receive Rs 45,969 crore.
- The budget also allocated Rs 636215 crore to UGC (University Grants Commission) which involves the finances for deemed and central universities across India.
- A proposal was proposed for setting up 6000 schools at block level as model schools in the 12th Five Year Plan.
- A Credit Guarantee Fund was announced for maintaining better flow of credit to the students under the scheme for education loans which is being implemented by banks.
- RTE (Right to Education) - SSA (Sarva Shiksha Abhiyan) was allocated a fund of Rs 25555 crore reporting a hike of 21.7% whereas a 29% hike for Rashtriya Madhyamik Shiksha Abhiyan (RMSA) raising it to Rs 3124 crore. The Rashtriya Madhyamik Shiksha Abhiyan (RMSA) was launched in March, 2009 to enhance access to quality secondary education.
- Allocation of a fund of Rs 15850 crore for ICDS (Integrated Child Development Services) scheme, reporting an increase of 58%. Allocation of a fund of Rs 11937 crore for National Program of Mid-day Meals in schools for the session 2012-13- an increase of roughly 11 percent from last year. Moreover the budget also allocated a proposal of Rs 750 crore for Rajiv Gandhi Scheme for Empowerment of Adolescent Girls, SABLA.
- Fund of Rs 1000 crore has also been allocated to National Skill development Fund (NSDF) as an initiative. Projects have been approved by National Skill Development Corporation (NSDC) through which it expects to train 6.2 crores people at the end of 10 years. Such initiatives by the NSDC will no doubt help fill the gap by training about 10 lakh workers in the next 10 years. The NSDC partners have opened 496 permanent and 2429 mobile centers in 220 districts across 24 states. More than 89,500 persons have been trained and almost 80 per cent employed. Under NSDC, 10 Sector Skill Councils have been sanctioned. Of these, 3 Skill Councils for Automobile, Security and Retail sectors have become operational.

In 2011-12 National Skill Development Corporation (NSDC) approved 26 new projects, thereby doubling the number of projects sanctioned since 2009 to 52, with a total funding commitment of Rs 1,205 crore. At the end of 10 years, these projects are expected to train 6.2 crore persons and augment vocational training capacity by 1.25 crore per year in the private sector.

- A new scheme titled "Himayat" was introduced in Jammu and Kashmir from 2011-12. It aims to provide skill training to one lakh youth in the next five years. The entire cost of this programme is being borne by the Centre.
- Rs 4.5 crore to give free cycles for girl students from minority communities - a step aimed at checking school dropout rates.

Budget 2012-13 is a complete package for education sector which apart from providing increased funds for higher education, vocational training and skills lays emphasis on RTE Act and tax free school level education.

### COACHING CLASS MARKET IN INDIA 2012

Indian education sector is considered to be recession proof primarily due to the willingness among consumers to spend on this sector. Across the board, from the upper classes to the bottom most stratum of the social hierarchy, expenditure on

education accounts for a sizable portion of family incomes. Coaching classes segment, though unorganized and unregulated, boasts of high profit margins. Due to the changing economic scenario, need for extra and supplemental education is urgently felt by both students and their parents. Known as the world of shadow of education, coaching classes have grown phenomenally in India and is only to proliferate further in future.

An analysis of the drivers explains the factors for growth of the market and includes expenditure on education, lucrative business opportunity, rise in number of students opting for foreign education, working parents with higher disposable income, Right to Education Act and infrastructural bottlenecks in formal education. As education in India is considered to be the only means towards betterment of one's social status; spending on education has never taken a hit even in times of recession. Parents indulge in spending almost an equal amount of primary school fees in coaching classes to further their kids' exposure and grooming. Owing to the absence of Government regulations, a successful coaching institute can hike program fees thus making it extremely lucrative from a business perspective. Increase in number of students opting for foreign education has also led to enhanced demand for these classes. With rising number of students looking at foreign shores for higher education, cracking entrance tests at such universities translate into rising demand for coaching institutes. Further, Right to Education Act forbids teachers of government schools from taking private tuitions which creates room for coaching institutes to capitalize upon. Another factor that has led to the growth of this sector is that of high incidence of working parents in a family. With both parents working, family income rises and increases the probability of education expenditure. Finally, the infrastructural bottlenecks in the formal education system with absence of quality teachers and proper syllabi will boost the coaching classes market. However, the sector is also facing certain challenges. Factors such as change in examination format are an impediment for this sector.

The major trends identified include online tutorial increasing base, coaching classes for beginners, coaching institutes foraying into formal education system, franchising mode of operation, introduction of package courses and increased PE activity.

The competition section offers a competitive landscape of the players by providing their financials and key financial ratios. It also provides basic information regarding the organizations. Key financial parameters constitute the financial performances of the players which are followed by business highlights. Strategic recommendations followed by appendix on key ratios comprise the concluding section of the report.

## **PROSPECT & OUTLOOK**

The company is engaged in most rewarding coaching segment of the education sector. The Company is looking for more expansions in the coaching segment in the near future. The Company has also planned for entering into partnership agreements for its multibrand, Technology enabled satellite classes

## **RISKS AND CONCERNS**

The Company is engaged in Tutoring and Coaching 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.

## CORPORATE GOVERNANCE

### 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.

The Company is in compliance with all the requirements of the corporate governance code as enshrined in Clause 49 of the listing agreement.

### MANDATORY REQUIREMENTS

#### A. BOARD OF DIRECTORS

The Board provides leadership and strategic guidance, objectively reviews management decisions and exercises control over the company.

#### i) CATEGORY AND COMPOSITION

In compliance with the Listing Agreement, the Company has a balanced mix of executive and non-executive Independent Directors. As on date of this report, the Board of Directors consists of 4 Directors, out of which 2 are Executive Directors and 2 are Non-Executive Independent Directors. Except the Managing Director and Whole-Time Director, all other Directors are liable to retire by rotation as per provisions of the Companies Act, 1956. In compliance with Clause 49 of the Listing Agreement, half of the Board comprises of independent directors since Mrs. Saroj Gupta is Executive Chairman of the Board.

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

Name of the Director	Director Identification No.	Designation	Category	Directorship of other Indian Public Companies	Committee Position other Indian Companies	
					Member	Chairman
Mr. Sham Sunder Gupta	00006983	Managing Director	Executive	Nil	Nil	Nil
Mr. Ravi Saini	01926733	Additional Director	Non -Executive & Independent	6	Nil	Nil
Mrs. Saroj Gupta	00033430	Whole time Director	Executive & Promoter	1	Nil	Nil
Mr. Babulal Vijay	02994254	Director	Non -Executive & Independent	Nil	Nil	Nil
*Dr. Prem Kumar Awasthi	00518934	Director	Non -Executive & Independent	1	Nil	Nil

\* Resigned w.e.f. 11th August 2012.

**ii) BOARD MEETING**

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 Eight Board Meetings have taken place on 26th April 2011, 30th May 2011, 11th August 2011, 03rd September 2011, 14th October 2011, 20th October 2011, 14th February 2012 and 31st March 2012.

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	Last AGM attended
Mr. Sham Sunder Gupta	Managing Director	Executive Director	8	Yes
Mr. Ravi Saini	Additional Director	Non -Executive & Independent	Nil	No
Mrs. Saroj Gupta	Whole time Director	Executive & Promoter	8	Yes
Mr. Babu Lal Vijay	Director	Non -Executive & Independent	8	Yes
*Dr. Prem Kumar Awasthi	Director	Non -Executive & Independent	8	Yes

\* Resigned w.e.f. 11th August 2012.

**iii) DIRECTOR'S PROFILE****1) MR. SHAM SUNDER GUPTA, MANAGING DIRECTOR**

Mr. Sham Sunder Gupta is a very experience company executive. He has more than 30 years of experience in the field of business development, customer acquisition, asset acquisition and management.

**2) MR. BABU LAL VIJAY, DIRECTOR**

Mr. Babu Lal Vijay is a talented professional who is vested with entrepreneurial and commercial skills combined with a focused and futuristic approach. He did his Post Graduate certificate in Business Administration from University of Wales, United Kingdom. He is a graduate Gemologist from the Gemological Institute of America, New York City. He has more than 14 years of experience in the financial institutions and other Government institutions.

**3) MRS. SAROJ GUPTA, WHOLE TIME DIRECTOR**

Mrs. Saroj Gupta, Managing Director, B.Ed., MDP (IIM Lucknow) has 20 years vast experience in banking and 5 years experience in education industry. She is passionate about education. Mrs. Gupta founded Trump and Gates with a few more professionals to pursue her dream of running an education organization. She is Director of Trump and Gates a leading educational Institute in actuarial Science and in other entrance exams. She has been awarded for her contribution by various organizations.

**4) MR. RAVI SAINI, ADDITIONAL DIRECTOR**

Mr. Ravi Saini, Director, is expert in financial planning and have rich and vast experience in business administration and sound functioning of the company.

**B. COMMITTEE OF DIRECTORS****1) AUDIT COMMITTEE****i) BROAD TERMS OF REFERENCE**

The composition of audit committee meets the requirements of Section 292A of the Companies Act, 1956 and revised Clause 49 of the Listing Agreement. The terms of reference of this Committee covers the matters specified for Audit Committee under clause 49(II)( C ) & (D) of the Listing Agreement read with Section 292A of the Companies Act, 1956. The terms of the reference of Audit Committee include inter alia the following:

**Powers of Audit Committee**

i. To investigate any activity within its terms of reference.

- ii. To seek information from any employee.
- iii. To obtain outside legal or other professional advice.
- iv. To secure attendance of outsiders with relevant expertise, if it considers necessary.

#### **Key responsibilities of Audit Committee**

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual/Quarterly financial statements before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report.
  - h. The quality and acceptability of:
    - i) the accounting policies and practices, including without limitation critical accounting policies and practices, all alternative accounting treatments within generally accepted accounting principles for policies and procedures related to material items that have been discussed with management, ramifications of the use of such alternative treatments and the treatment preferred by the external auditors; and
    - ii) financial reporting disclosures and changes thereto, including a review of any material items of correspondence between the Company and the external auditors;
  - i. The extent to which the financial statements are affected by any unusual transactions or any off-balance sheet arrangements, including any disclosable guarantees, indemnification agreements or interests in unconsolidated special purpose entities, in the year and how they are disclosed;
  - j. the policies and process for identifying and assessing business risks and the management of these risks;
  - k. material misstatements detected by the auditors that individually or in aggregate have not been corrected and management's explanations as to why they have not been adjusted;
  - l. possible impairments of the Group's assets;
  - m. compliance with financial reporting standards and relevant financial and governance reporting requirements;
5. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
6. Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems.

7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors any significant findings and follow up there on.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
13. Mandatory review the following information:
  - i. Management discussion and analysis of financial condition and results of operations;
  - ii. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - iii. Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - iv. Internal audit reports relating to internal control weaknesses; and
  - v. The appointment, removal and terms of remuneration of the Chief internal auditor
14. Overseeing the relationships with the external auditors as follows:
  - i. To consider the appointment of the external auditors and provide the Board with its recommendation to the shareholders on the appointment, reappointment and removal of the external auditors, approve the audit engagement fees and terms and review annually their activities, findings, conclusions and recommendations. The external auditors shall report directly to the Audit Committee.  
The Audit Committee shall be responsible for ensuring the resolution of any disagreements between management and the external auditors regarding financial reporting;
  - ii. To discuss with the external auditors the nature and scope of the audit (including any significant ventures, investments or operations which are not subject to audit) and ensure co-ordination if more than one audit firm is involved;
  - iii. To review and monitor the independence of the external auditors and the objectivity and the effectiveness of the audit process including reviewing and monitoring the external auditors' quality control procedures and steps taken by the external auditors to respond to changes in regulatory and other requirements. This review will include a review of the experience and qualifications of the senior members of the audit team, including rotational procedures;
  - iv. To pre-approve the scope and extent of audit and non-audit services provided to the Group by any third party in the case of audit services and by the external auditors in the case of audit and permitted non-audit services. The Audit Committee may delegate to the Chairman of the Audit Committee (and in his absence another member) the authority to pre-approve any audit or permitted non-audit service to be provided by the external auditors provided such approvals are presented to the Audit Committee at its next scheduled meeting;
  - v. To consider communications from the external auditors on audit planning and findings and on material weaknesses in accounting and internal control systems that came to the auditors' attention, including a review of material items of correspondence between the Company and the external auditors; and
  - vi. To ensure that there are no restrictions on the scope of the statutory audit;
15. Such other function, as may be assigned by the Board of directors from time to time or as may be stipulated under any law, rule or regulation including the Listing Agreement and the Companies Act, 1956.

#### Composition, Meetings & Attendance of the Committee

The Audit Committee of the Company has been constituted as per the requirements of Clause 49 of the Listing Agreement.

#### i) 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. Audit Committee consists of three Directors, namely Mr. Sham Sunder Gupta (having Financial and Accounting knowledge), Mr. P. K. Awasthi and Mr. Babu Lal Vijay, out of which two are Independent, Non-Executive Directors. The Constitution of Audit Committee also meets the requirements under Section 292A of the Companies Act, 1956.

The Chairman of the Committee is Mr. Babu Lal Vijay, an Independent Non Executive Director nominated by the Board. The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company.

The Statutory Auditors and Internal Auditors are also the invitee to the meetings.

During the year under review, the Committee met four times on 30th May 2011, 11th August 2011, 14th October 2011 & 14th February 2012. The gap between two meetings did not exceed four months. Constitution of Audit Committee and other related information as on 31st March 2012 are as under:

The Composition of audit committee is as follows:

Name of the Director	Designation	Category
Mr. Babu Lal Vijay	Chairman	Non -Executive & Independent
Mr. Sham Sunder Gupta	Managing Director	Executive Director
Mr. Ravi Saini	Additional Director	Non -Executive & Independent
*Dr. Prem Kumar Awasthi	Director	Non -Executive & Independent

\* Resigned w.e.f. 11th August 2012.

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
Mr. Babu Lal Vijay	Chairman	Non -Executive & Independent	4
Mr. Sham Sunder Gupta	Managing Director	Executive Director	4
*Dr. Prem Kumar Awasthi	Director	Non-Executive & Independent	4
**Mr. Ravi Saini	Additional Director	Non -Executive & Independent	Nil

\*\*Appointed w.e.f. 11th August 2012.

\* Resigned w.e.f. 11th August 2012.

## 2) REMUNERATION COMMITTEE:

Constitution of remuneration committee by listed public company pursuant to the listing agreement is voluntary.

### Terms of Reference:

The Broad terms of reference includes the following:

1. To frame Company's Policy from time to time on
  - a. Compensation Policy to Directors
  - b. Role of Directors
  - c. Other matters relating to Directors and Employees
2. To recommend suitable candidates to Board for appointment as Executive/Non Executive Director.
3. To review performance and recommend remuneration of Executive Directors' to the Board.
4. To review the role and conduct of Director's other than Members of the committees and inform the Board.
5. To formulate ESOP plans and decide on future grants;
6. To formulate terms and conditions on followings under the present Employee Stock Option Schemes of the Company:
  - i. the quantum of options to be granted under ESOP scheme(s) per employee and in aggregate;
  - ii. the conditions under which options vested in employees may lapse in case of termination of employment for misconduct;
  - iii. the exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
  - iv. the specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;
  - v. the right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;



- vi. the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of rights issues, bonus issues and other corporate actions;
- vii. the grant, vest and exercise of option in case of employees who are on long leave; and
- viii. the procedure for cashless exercise of options.
- ix. Any other matter, which may be relevant for administration of ESOP schemes from time to time.

The Composition of Remuneration Committee is as follows:

Name of the Director	Designation	Category
Mr. Babu Lal Vijay	Chairman	Non -Executive & Independent
Mr. Sham Sunder Gupta	Managing Director	Executive Director
Mr. Ravi Saini	Additional Director	Non -Executive & Independent
*Dr. Prem Kumar Awasthi	Director	Non -Executive & Independent

\* Resigned w.e.f. 11th August 2012.

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
Mr. Babu Lal Vijay	Chairman	Non -Executive & Independent	4
Mr. Sham Sunder Gupta	Managing Director	Executive Director	4
*Dr. Prem Kumar Awasthi	Director	Non-Executive & Independent	4
**Mr. Ravi Saini	Additional Director	Non -Executive & Independent	Nil

\*\*Appointed w.e.f. 11th August 2012.

\* Resigned w.e.f. 11th August 2012.

#### REMUNERATION POLICY

The Company has a credible and transparent policy in determining and accounting for the remuneration of Director's. The remuneration policy is aimed at attracting and retaining high calibre talent.

##### a) Executive Director/(s):

Remuneration of Executive Directors is decided based upon their qualification, experience, contribution at the respective positions in the past and expected future benefits to the company and is consistent with the existing industry practice. Executive Directors are entitled for the remuneration as follows:

- (i) Salary and commission not to exceed limits prescribed under the Companies Act, 1956
- (ii) Revised from time to time depending upon the performance of the Company,
- (iii) No Sitting Fees is being paid to them
- (iv) Eligible for ESOP except Promoter Director

Presently company has two Executive Directors, Mrs. Saroj Gupta, Whole Time Director and Mr. Sham Sunder Gupta, Managing Director

Details of the remuneration paid to Executive Directors and there shareholding in the company for the year ended March 31, 2012 is as follows:

S. No.	Name of Directors	Gross Salary (p.a.)	Commission	Sitting Fees	Shareholding in the Company & %
1.	Mrs. Saroj Gupta	Rs. 300000	Nil	Nil	1.634
2.	Mr. Sham Sunder Gupta	Rs. 150000	Nil	Nil	Nil

The above figures do not include provision for en-cashable leave and gratuity.

##### b) Non Executive Director/(s):

Non- Executive Directors are entitled as follows:

- (i) Sitting fees not to exceed limits under the companies Act, 1956
- (ii) Eligible for ESOP
- (iii) Commission not to exceed limits prescribed under the Companies Act, 1956

The Company does not have material pecuniary relationship or transactions with its non-executive directors.

**3) SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE:****Terms of Reference**

The broad terms of reference includes the following:

- o Redressal of shareholder and investor complaints including, but not limiting itself to transfer of shares and issue of duplicate share certificates, non-receipt of balance sheet, non-receipt of declared dividends, etc., and
- o Monitoring transfers, transmissions, dematerialisation, rematerialisation, splitting and consolidation of shares issued by the Company.

**Composition, meetings and attendance**

In compliance with the Listing Agreement requirements and provisions of the Companies Act, 1956, the Company has constituted an Investor Grievance Committee consisting of majority of Non-Executive Independent Directors. As on 31st March 2012, Committee consists of three members comprising of Mr. P. K. Awasthi, Mr. Babu Lal Vijay and Mr. Sham Sunder Gupta under the Chairmanship of an Independent & Non Executive Director viz Mr. Babu Lal Vijay.

Name of the Director	Designation	Category
Mr. Babu Lal Vijay	Chairman	Non -Executive & Independent
Mr. Sham Sunder Gupta	Managing Director	Executive Director
Mr. Ravi Saini	Additional Director	Non -Executive & Independent
*Dr. Prem Kumar Awasthi	Director	Non -Executive & Independent

\* Resigned w.e.f. 11th August 2012.

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

During the year under review, Committee met four times.

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
Mr. Babu Lal Vijay	Chairman	Non -Executive & Independent	4
Mr. Sham Sunder Gupta	Managing Director	Executive Director	4
Dr. Prem Kumar Awasthi	Director	Non-Executive & Independent	4
**Mr. Ravi Saini	Additional Director	Non -Executive & Independent	Nil

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 31.03.2012.

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, 2012 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**

Mr. Sham Sunder Gupta, Managing Director is the Compliance Officer for complying with the requirements of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 & is responsible for complying with the requirements of Listing Agreement with the Stock Exchanges. The Compliance Officer can be contacted at:

**DMC Education Limited**

H-108, New Asiatic Building  
Connaught Place, New Delhi-110001  
E-mail: info@dmceducation.com  
Phone No.-+91-11-43694444

**GENERAL MEETING:-**

Location and time for the last 3 AGMs were as follows:-

Particulars	FY 2008-09	FY 2009-10	FY 2010-11
Date and Time	30th September, 2009, 9:30 a.m.	30th September, 2010, 4:30 p.m.	30th September, 2011, 4:30 p.m.
Venue	H-108, New Asiatic Building Connaught place, New Delhi-110001	Arya Public School, Raja Bazar, Connaught Place, New Delhi-110001	Arya Public School, Raja Bazar, Connaught Place, New Delhi-110001
Special Resolution	No**	Yes*	No

Special resolutions passed in the last 3 Annual General Meeting

\* 2009-10 Annual General Meeting held on 30th September, 2010

1. Appointment of Mrs. Saroj Gupta as Whole-Time Director of the Company.
2. Appointment of Mr. Babu Lal Vijay as Director of the Company.
3. Issue of Convertible Debentures to HT Media Limited

\*\* 2008-09 Annual General Meeting held on 30th September, 2009

1. Commencement of Business mentioned in the other objects.

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

#### **POSTAL BALLOT**

During the year under review, we have not conducted any postal ballot in pursuance of Section 192A of the Companies Act, 1956 and Companies (Passing of the Resolution by Postal Ballot) Rules, 2001.

#### **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 the audit committee as well as to the Board of directors in terms of Clause 49(IV)(A) and other applicable laws for approval.

#### **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: 29th September 2012

Time: 4:30 P.M.

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

##### **FINANCIAL CALENDAR (tentative)**

##### **Financial Year- 1st April 2012 to 31st March 2013**

Financial Reporting for the First Quarter ending 30th June 2012 :14/08/2012

Financial Reporting for the Half Year ending 30th September 2012 :third week of Nov. 2012

Financial Reporting for the Third Quarter ending 31st December 2012 :third week of Feb. 2013

Financial Reporting for the Quarter & Year ending 31st March 2013 :by may 2013

**DATE OF BOOK CLOSURE:**

24th September, 2012 to 29th September, 2012 (both days inclusive)

**LISTING ON STOCK EXCHANGE:**

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

**CORPORATE IDENTIFICATION NUMBER:** L80211DL1984PLC018554

**STATUS FOR SHAREHOLDERS' COMPLAINTS FOR THE PERIOD 01.04.2011 TO 31.03.2012**

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

**SHAREHOLDING PATTERN OF THE COMPANY AS ON 31ST MARCH 2012**

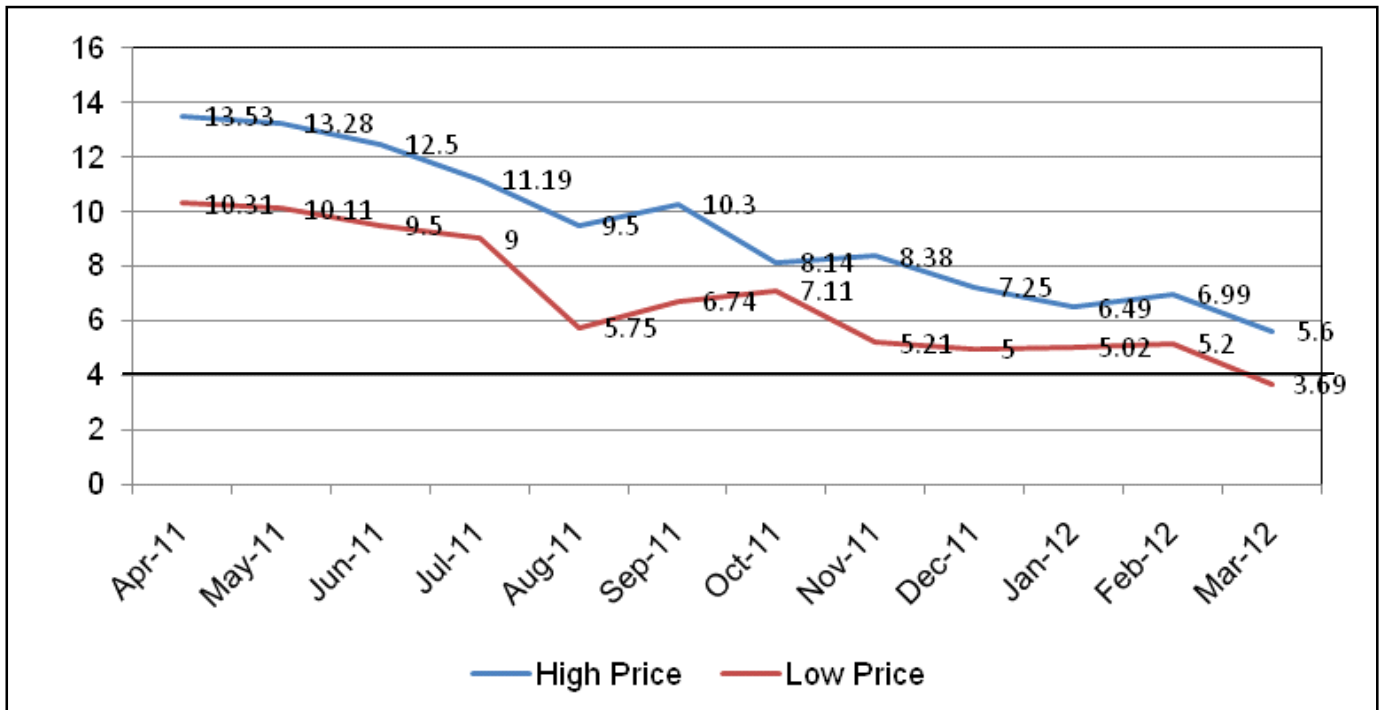
Category	Total No. of Shares	%age
Promoter		
a) Indian	7438550	30.58%
b) Foreign	-	-
Public		
a) Institutional Shareholding	-	-
b) General Public	16887302	69.42%
<b>TOTAL</b>	<b>24325852</b>	<b>100%</b>

**DISTRIBUTION OF SHAREHOLDERS AS ON 31ST MARCH 2012**

Shareholding of Nominal Value		No. of Shareholder	% of Shareholder	No of Shares held	% of Shareholding
(Rs.)	(Rs.)				
Upto	5000	6794	75.564	12588835	11.60
5001	10000	806	8.965	6643900	5.58
10001	20000	546	6.073	8217445	6.78
20001	30000	295	3.281	7543825	6.31
30001	40000	87	0.968	3085325	2.84
40001	50000	136	1.513	6420530	5.17
50001	100000	172	1.913	12485830	10.58
100001	ABOVE	155	1.724	64643570	51.14
<b>TOTAL</b>		<b>8991</b>	<b>100</b>	<b>121629260</b>	<b>100</b>

**STOCK MARKET DATA**

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



MONTH		BOMBAY STOCK EXCHANGE	
		HIGH	LOW
April	2011	13.53	10.31
May	2011	13.28	10.11
June	2011	12.50	9.50
July	2011	11.19	9.00
August	2011	9.50	5.75
September	2011	10.30	6.74
October	2011	8.14	7.11
November	2011	8.38	5.21
December	2011	7.25	5.00
January	2012	6.49	5.02
February	2012	6.99	5.20
March	2012	5.60	3.69

## **DEMATERIALISATION 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 for Demat: INE585D01024

### **ADDRESS FOR CORRESPONDENCE**

DMC Education Limited,  
H-108, 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, 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 2012 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 2012, 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: 4th September 2012**  
**Place: New Delhi**

**For M. K Goswami & Co.**  
**Chartered Accountants**  
**(FRN 002305N)**

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



## CHIEF EXECUTIVE OFFICER (CEO) CERTIFICATION

I, Mrs. Saroj Gupta, Whole time director, 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 except AS 15.
- (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.

**For and on Behalf of the Board of Directors**

Sd/-

**Saroj Gupta**  
 Whole time Director  
 DIN: - 00033430

**Date: 4th September 2012**  
**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, 2012, 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 Presidents, Sr. Vice Presidents and Vice President Cadre as on March 31, 2012.

**For and on Behalf of the Board of Directors**

Sd/-

**Saroj Gupta**  
 Whole time Director  
 DIN: - 00033430

**Date: 4th September 2012**  
**Place: New Delhi**

## AUDITOR'S REPORT

To the Members,  
DMC EDUCATION LIMITED

We have audited the attached Balance Sheet of M/s DMC Education LIMITED, as at 31st March 2012 and also the annexed Statement of Profit and Loss 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 Statement of Profit and Loss 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 Statement of Profit and Loss 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, 2012, and
    - II. In the case of Statement of Profit and Loss, 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/-  
C.A. V. K. Gupta  
Partner  
M.No.-084450  
Place: New Delhi  
Date: 4th September 2012

### 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) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory. No material discrepancies were noticed during the physical verification of inventory as compared to the book records.
- (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 has 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.
- (b) According to the information and explanations given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute.

- (x) The company has no accumulated losses as at 31st March, 2012 and has 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 issued debentures to the M/s Brand Equity Ltd. & M/s D. B. Corporation Limited
- (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 by the company has been noticed or reported.

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

Sd/-  
C.A. V. K. Gupta  
Partner  
M.No.-084450  
Place: New Delhi  
Date: 4th September 2012

## STANDALONE BALANCE SHEET FOR THE YEAR ENDED MARCH 31, 2012

PARTICULARS	NOTE	For the Year ended 31-03-2012	For the Year ended 31-03-2011
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) SHAREHOLDER'S FUND</b>			
(A) SHARE CAPITAL	1	122,629,260	114,984,000
(B) RESERVES AND SURPLUS	2	105,792,472	99,963,880
<b>(2) NON CURRENT LIABILITIES</b>			
(A) LONG TERM BORROWINGS			
(i) UNSECURED LOANS	3	53,533,000	52,237,000
(B) DEFERRED TAX LIABILITY (NET)		6,395,895	4,790,486
<b>(3) CURRENT LIABILITIES</b>			
(A) TRADE PAYABLES		23,003,589	37,030,623
(B) OTHER CURRENT LIABILITIES	4	20,265,424	6,574,873
(C) SHORT TERM PROVISIONS	5	7,009,848	6,991,809
<b>TOTAL</b>		<b>338,629,488</b>	<b>322,572,671</b>
<b>II. ASSETS</b>			
<b>(1) NON CURRENT ASSETS</b>			
(A) FIXED ASSETS	6		
(i) TANGIBLE FIXED ASSETS		2,802,666	2,301,921
(ii) INTANGIBLE FIXED ASSETS		72,999,271	68,376,678
(B) NON CURRENT INVESTMENTS	7	38,588,265	17,224,840
(C) LONG TERM LOANS AND ADVANCES		99,412,310	89,027,534
(D) OTHER NON CURRENT ASSETS	8	16,110	32,222
<b>(2) CURRENT ASSETS</b>			
(A) INVENTORIES	9	1,221,108	-
(B) TRADE RECEIVABLES	10	58,302,304	111,963,614
(C) CASH AND CASH EQUIVALENTS	11	18,891,975	2,723,762
(D) SHORT TERM LOANS AND ADVANCES	12	46,395,479	30,922,100
<b>TOTAL</b>		<b>338,629,488</b>	<b>322,572,671</b>
NOTES TO ACCOUNTS & SIGNIFICANT ACCOUNTING POLICIES	18		
THE NOTE NOS 1 TO 17 ARE INTEGRATED PART OF FINANCIAL STATEMENTS		(0)	0

IN TERMS OF OUR AUDIT REPORT OF EVEN DATE ATTACHED

FOR M.K GOSWAMI & CO.  
CHARTERED ACCOUNTANTS  
FRN 002305N

FOR &amp; ON BEHALF OF BOARD

Sd/-  
(CA V. K. GUPTA)  
PARTNER  
M. NO. 084450

Sd/-  
SAROJ GUPTA  
WHOLE TIME DIRECTOR  
DIN : 00033430

Sd/-  
SHAM SUNDAR GUPTA  
MANAGING DIRECTOR  
DIN : 00006983

PLACE : NEW DELHI  
DATE : 04/09/2012

## STANDALONE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2012

PARTICULARS	NOTE	For the Year ended 31-03-2012	For the Year ended 31-03-2011
I. REVENUE FROM OPERATIONS	13	136,450,276	149,725,445
II. OTHER INCOME	14	1,227,442	3,225,000
III. TOTAL REVENUE		137,677,718	152,950,445
IV. EXPENSES:			
PURCHASES		68,360,275	70,971,500
INVENTORIES		(1,221,108)	- -
EMPLOYEE BENEFIT EXPENSES	15	10,120,125	9,426,580
FINANCE COSTS	16	132,866	161,275
DEPRECIATION		8,865,886	5,787,863
OTHER EXPENSES	17	51,322,374	91,658,869
TOTAL EXPENSES		137,580,418	178,006,087
V. PROFIT BEFORE TAX(III-IV)		97,300	(25,055,642)
VI. TAX EXPENSE:			
(1)CURRENT TAX		18,039.42	
(2)DEFERRED TAX		1,605,409	3,678,165
VII.PROFIT(LOSS) FOR THE PERIOD(V-VI)		(1,526,148)	(28,733,807)
VIII.EARNINGS PER EQUITY SHARE		(0.06)	(1.26)
(1)EQUITY		(0.06)	(1.26)
(2)DILUTED		(0.06)	(1.26)

## NOTES TO ACCOUNTS &amp; SIGNIFICANT ACCOUNTING POLICIES 18

THE NOTE NOS 1 TO 17 ARE INTEGRATED PART OF FINANCIAL STATEMENTS

IN TERMS OF OUR AUDIT REPORT OF EVEN DATE ATTACHED

FOR **M.K GOSWAMI & CO.**  
CHARTERED ACCOUNTANTS  
FRN 002305N

FOR & ON BEHALF OF BOARD

Sd/-  
(CA V. K. GUPTA)  
PARTNER  
M. NO. 084450

Sd/-  
SAROJ GUPTA  
WHOLE TIME DIRECTOR  
DIN : 00033430

Sd/-  
SHAM SUNDAR GUPTA  
MANAGING DIRECTOR  
DIN : 00006983

PLACE : NEW DELHI  
DATE : 04/09/2012

Notes to Accounts as at March 31, 2012				
		As at March 31, 2012 Amount in Rs.	As at March 31, 2011 Amount in Rs.	
<b>NOTE - 1</b>				
SHARE CAPITAL				
AUTHORIZED EQUITY SHARE CAPITAL				
31000000 EQUITY SHARES OF RS. 5/-EACH				
(PR. YEAR 31000000 EQUITY SHARES OF RS. 5/-EACH				
AUTHORIZED PREFERENCE SHARE CAPITAL				
10% REDEEMABLE PREFERENCE SHARES 200000 SHARES OF RS. 5/- EACH				
		155,000,000.00	155,000,000.00	
		1,000,000.00	1,000,000.00	
		156,000,000.00	156,000,000.00	
ISSUED, SUBSCRIBED & PAID UP				
24325852 EQUITY SHARES OF RS. 5/-EACH				
(PR. YEAR 22796800 EQUITY SHARES OF RS. 5/-EACH)				
200000 PREFERENCE SHARES OF RS.5/- EACH				
		121,629,260.00	113,984,000.00	
		1,000,000.00	1,000,000.00	
		122,629,260.00	114,984,000.00	
<b>DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% OF PAID UP EQUITY SHARE CAPITAL</b>				
SHAREHOLDER	31.03.2012	31.03.2011	AS AT 31.03.2012	AS AT 31.03.2011
	NO. OF SHARES	NO. OF SHARES	PERCENTAGE	PERCENTAGE
SHARK COMMUNICATION PVT LTD.	2630424	2630424	10.81%	10.81%
HT MEDIA LTD.	1529052	0	6.29%	0.00%
<b>SHARE RECONCILIATION STATEMENT</b>				
		AS AT 31.03.2012	AS AT 31.03.2011	
PARTICULARS		EQUITY	EQUITY	
SHARES OUTSTANDING AT THE BEGINNING OF THE YEAR		22,796,800	22,796,800	
SHARES ISSUED DURING THE YEAR		1,529,052	-	
SHARES BOUGHT BACK DURING THE YEAR		-	-	
SHARES OUTSTANDING AT THE END OF THE YEAR		24,325,852	22,796,800	
<b>NOTE - 2</b>				
<b>RESERVES AND SURPLUS</b>				
SHARE PREMIUM				
		80,532,630.00	73,177,890.00	
CAPITAL RESERVE				
		25,554,847.00	25,554,847.00	
CAPITAL REDEMPTION RESERVE				
		12,000,000.00	12,000,000.00	
<b>PROFIT &amp; LOSS ACCOUNT</b>				
OPENING BALANCE				
		(10,768,857.00)	17,964,950.00	
ADD: PROFIT/(LOSS) OF CURRENT YEAR				
		(1,526,147.97)	(28,733,807.00)	
CLOSING BALANCE				
		(12,295,004.97)	(10,768,857.00)	
		105,792,472.03	99,963,880.00	

	As at March 31, 2012 Amount in Rs.	As at March 31, 2011 Amount in Rs.
<b>NOTE - 3</b>		
<b>UNSECURED LOANS</b>		
0% CONVERTIBLE DEBENTURES	53,400,000.00	41,700,000.00
OTHER LOANS	133,000.00	10,537,000.00
	53,533,000.00	52,237,000.00
<b>NOTE - 4</b>		
<b>OTHER CURRENT LIABILITIES</b>		
ADVANCE FROM CUSTOMERS	14,156,500.00	1,325,133.00
ADVANCE AGAINST PROPERTY	1,842,000.00	1,842,000.00
OTHER LIABILITIES	48,851.00	67,392.00
EXPENSE PAYABLE	857,037.00	493,860.00
DUTIES AND TAXES	1,475,575.00	1,404,333.00
TDS PAYABLE	1,885,461.00	1,442,155.00
	20,265,424.00	6,574,873.00
<b>NOTE - 5</b>		
<b>SHORT TERM PROVISIONS</b>		
PROVISION FOR INCOME TAX	6,991,809.00	6,991,809.00
PROVISION FOR INCOME TAX FOR F/Y 2011-12	18,039.42	-
	7,009,848.42	6,991,809.00
<b>NOTE-7</b>		
<b>NON CURRENT INVESTMENTS</b>		
INVESTMENT IN QUOTED EQUITY INSTRUMENTS	1,049,265.00	774,840.00
INVESTMENT IN UNQUOTED EQUITY INSTRUMENTS		
EQUITY SHARES OF VSOFTECH SERVICES PVT LTD.	15,000,000.00	15,000,000.00
EQUITY SHARES OF ASSAR INFOTECH PVT LTD.	500,000.00	-
EQUITY SHARES OF ESSENCE TECHNOSERVICES PVT LTD.	1,000,000.00	-
EQUITY SHARES OF PARAS REALTECH LTD.	20,000,000.00	-
EQUITY SHARES OF PROMILLA ROLLER FLOUR MILLS PVT LTD.	539,000.00	-
EQUITY SHARES OF RADICAL DEVELOPERS PVT LTD.	-	1,450,000.00
EQUITY SHARES OF SRR TECHNOSERVICES PVT LTD.	500,000.00	-
	38,588,265.00	17,224,840.00
<b>NOTE-8</b>		
<b>OTHER NON CURRENT ASSETS</b>		
MISC. EXPENDITURE TO THE EXTENT NOT WRITTEN OFF OPENING BALANCE	32,222.00	48,334.00
LESS: WRITTEN OFF DURING THE YEAR	16,112.00	16,112.00
	16,110.00	32,222.00
<b>NOTE-9</b>		
<b>INVENTORIES</b>		
(AS TAKEN VALUED & CERTIFIED BY THE MANAGEMENT)		
STOCK-IN-TRADE (BOOKS)	1,221,108.00	-
	1,221,108.00	-



	As at March 31, 2012 Amount in Rs.	As at March 31, 2011 Amount in Rs.
<b>NOTE-10</b>		
<b>TRADE RECIEVABLES</b>		
TRADE RECIEVABLES OUTSTANDING FOR A PERIOD LESS THAN SIX MONTHS - UNSECURED CONSIDERED GOOD	6,623,953.00	54,708,433.00
TRADE RECIEVABLES OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTHS - UNSECURED CONSIDERED GOOD	51,678,351.00	57,255,181.00
	58,302,304.00	111,963,614.00
<b>NOTE-11</b>		
<b>CASH &amp; CASH EQUIVALENTS</b>		
CASH IN HAND	459,448.00	2,670,687.00
BALANCE WITH BANKS: IN CURRENT ACCOUNTS	18,432,526.95	53,075.26
	18,891,974.95	2,723,762.26
<b>NOTE-12</b>		
<b>SHORT TERM LOANS &amp; ADVANCES</b>		
LOANS & ADVANCES TO RELATED PARTIES: - UNSECURED CONSIDERED GOOD	34,139,789.00	29,358,110.00
INTEREST RECIEVABLE/RECOVERABLE DEPOSITS	1,605,690.00	1,563,990.00
OTHER SHORT TERM LOANS & ADVANCES SHARE APPLICATION MONEY	10,650,000.00	-
	46,395,479.00	30,922,100.00
LOANS & ADVANCES STATED ABOVE INCLUDES AMOUNTS DUE BY: -PRIVATE COMPANIES IN WHICH DIRECTOR IS A DIRECTOR	9,981,500.00	741,000.00
<b>NOTE-13</b>		
<b>REVENUE FROM OPERATIONS</b>		
CONSULTANCY INCOME	100,000.00	-
FRANCHISE INCOME	1,910,620.00	1,701,000.00
SALE OF BOOKS	126,695,520.00	139,910,653.00
TUTION INCOME	7,744,136.00	8,113,792.00
	136,450,276.00	149,725,445.00
<b>NOTE-14</b>		
<b>OTHER INCOME</b>		
ADVERTISEMENT INCOME	1,150,000.00	-
SALE OF INVESTMENT	77,442.00	3,225,000.00
	1,227,442.00	3,225,000.00
<b>NOTE-15</b>		
<b>EMPLOYEE BENEFIT EXPENSES</b>		
SALARY & WAGES	8,650,512.00	7,612,350.00
STAFF WALFARE	943,906.00	501,905.00
INCENTIVES	525,707.00	872,210.00
OVERTIME	-	440,115.00
	10,120,125.00	9,426,580.00

	As at March 31, 2012 Amount in Rs.	As at March 31, 2011 Amount in Rs.
<b>NOTE-16</b>		
<b>FINANCE COSTS</b>		
INTEREST ON LOAN	-	38,703.00
BANK CHARGES	132,866.00	122,572.00
	132,866.00	161,275.00
<b>NOTE-17</b>		
<b>OTHER EXPENSES</b>		
ACCOUNTING EXPENSES	54,000.00	37,400.00
ADVERTISEMENT EXPENSES	21,567,587.00	8,423,285.00
AUDITORS REMUNERATION	20,000.00	18,000.00
AMC CHARGES	118,080.00	114,210.00
A.G.M & E.G.M. EXPENSES	87,400.00	-
BAD DEBTS	2,801,591.00	37,802,070.00
BOARD MEETING EXPENSES	144,320.00	84,500.00
BOOKS FORMATING CHARGES	219,790.00	
BOOKS & PERIODICALS	142,831.00	275,794.00
BUSINESS PROMOTION EXPENSES	1,447,189.00	949,938.00
CABLE EXPENSES	-	4,531.00
COMMISSION EXPENSES	130,950.00	778,985.00
COMPUTER STATIONARY EXPENSES	330,263.00	585,780.00
CONVEYANCE EXENSES	668,350.00	636,613.00
DATA PURCHASE AND VALIDATION COST	151,000.00	218,974.00
DESIGNING EXPENSES	-	97,650.00
DIWALI BONUS	574,200.00	-
DONATION	577,100.00	-
ELECTRICITY EXPENSES	524,720.00	377,453.00
ELECTRICAL MAINTENANCE GOODS	222,557.00	103,987.00
TUTION FEES REFUND	-	244,908.00
FRANCHISE EXPENSES	-	971,970.00
FILING , LISTING & CUSTODIAL FEE	253,256.00	130,000.00
INTERNET EXPENSES	100,147.00	121,161.00
JOB WORK	1,702,443.00	1,021,269.00
MISCELLANEOUS EXPENSES	413,829.00	488,187.00
LECTURE FEES	1,751,264.00	516,821.00
MOBILE EXPENSES	38,250.00	128,870.00
OFFICE MAINTENANCE	367,580.00	1,018,980.00
LEGAL & PROFESSIONAL CHARGES	2,388,607.00	5,818,865.00
PHOTOCOPY EXPENSES	697,774.00	619,987.00
POSTAGE & COURIER EXPENSES	159,845.00	164,901.00
POSTAL BALLOT CHARGES	124,520.00	-
PRELIMINARY EXPENSES	16,111.00	16,112.00
PRINTING & STATIONERY	1,386,003.00	586,879.00
PRIOR PERIOD EXPENSES	-	24,805,038.00
PROOF READING EXPENSES	181,270.00	486,340.00
RENT	2,136,600.00	1,323,000.00
REPAIR & MAINTENANCE EXPENSES	645,685.00	-
ROC EXPENSES	8,160.00	7,325.00
SEMINAR EXPENSES	152,289.00	112,770.00
SMS CHARGES	132,230.00	2,000.00
STUDENT REFRESHMENT EXPENSES	411,290.00	-
SPONSORSHIP CHARGES	6,124,520.00	-
STUDY MATERRIAL EXPENSES	121,190.00	-
TELEPHONE EXPENSES	946,131.00	492,006.00
TRAVELLING EXPENSES	598,802.00	699,490.00
TYPING EXPENSES	174,520.00	476,154.00
WATER EXPENSES	133,940.00	117,981.00
WEBSITE MAINTENANCE EXPENSES	374,190.00	778,685.00
	51,322,374.00	91,658,869.00

(in Rupees)

NOTE - 6 FIXES ASSETS	GROSS BLOCK					DEPRECIATION BLOCK			NET BLOCK	
	As At 01/04/2011	Add. during the year	Sale Adjust- ment	Total as at 31/03/2012	Up to 01/04/2011	During the Year	Up to 31/03/2012	As At 31/03/2012	As At 31/03/2011	
<b>TANGIBLE FIXED ASSETS</b>										
COMPUTERS	3,394,717	824,412	-	4,219,129	2,261,483	729,573	2,991,056	1,228,073	1,133,234	
FURNITURE & FIXTURES	1,116,821	326,697	-	1,443,518	593,292	118,520.	711,812	731,706	523,529	
OFFICE EQUIPMENTS	567,455	211,815	-	779,270	222,827	64,342	287,169	492,101	344,628	
CAMERA	30,000	-	-	30,000	20,217	1,361	21,578	8,422	9,783	
AIR CONDITIONERS	336,980	101,300	-	438,280	46,233	49,683	95,916	342,364	290,747	
<b>TOTAL</b>	<b>5,445,973.00</b>	<b>1,464,224</b>	<b>-</b>	<b>6,910,197</b>	<b>3,144,052</b>	<b>963,479</b>	<b>4,107,531</b>	<b>2,802,666</b>	<b>2,301,921</b>	
<b>ITANGIBLE FIXED ASSETS</b>										
PRODUCTION SOFTWARE	945,600	-	-	945,600	830,710	28,721.00	859,431	86,169	114,890	
COMPUTER SOFTWARE	3,068,573	25,000	-	3,093,573	2,276,785	201,140	2,477,925	615,648	791,788	
IPR & BRAND EQUITY	52,500,000	12,500,000	-	65,000,000	7,612,500	5,414,296	13,026,796	51,973,204	44,887,500	
CONTENT DEVELOPMENT	22,582,500	-	-	22,582,500	-	2,258,250	2,258,250	20,324,250	22,582,500	
<b>TOTAL</b>	<b>79,096,673.00</b>	<b>12,525,000</b>	<b>-</b>	<b>91,621,673</b>	<b>10,719,995</b>	<b>7,902,407</b>	<b>18,622,402</b>	<b>72,999,271</b>	<b>68,376,678</b>	
<b>GRAND TOTAL</b>	<b>84,542,646</b>	<b>13,989,224</b>	<b>-</b>	<b>98,531,870</b>	<b>13,864,047</b>	<b>8,865,886</b>	<b>22,729,933</b>	<b>75,801,937</b>	<b>70,678,599</b>	
PREVIOUS YEAR	65,901,712	18,640,934	-	84,542,646	8,076,185	5,787,863	13,864,048	70,678,599	57,825,528	

FOR &amp; ON BEHALF OF BOARD

Sd/-  
SAROJ GUPTA  
WHOLE TIME DIRECTOR  
DIN : 00033430

Sd/-  
SHAM SUNDER GUPTA  
MANAGING DIRECTOR  
DIN : 00006983

<b>CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31ST , 2012</b>		
	<b>For the Year ended 31-3-12</b>	<b>For the Year ended 31-3-11</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit/(Loss) before tax	0.97	(250.56)
Add:Adjustments for Depreciation	88.66	57.88
Add:Preliminary Expense	0.16	0.16
Add: Interest and Finance Charges	0.00	0.39
<b>Operating Profit after tax before working Capital changes,'Adjustment for:</b>	<b>89.79</b>	<b>(192.13)</b>
Trade and other receivables	536.61	(580.08)
Inventories	(12.21)	0.00
Loans and Advances	(258.58)	(117.64)
Trade payables	(140.27)	220.46
Current Laibilites	136.91	-
Cash Flow from Operating Activities		
<b>Net Cash Flow from Operating Activities (A)</b>	<b>352.25</b>	<b>(669.39)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Investments	(213.63)	0
Purchase of Fixed Assets	(139.89)	(13.08)
Sale of Investments	-	12.19
<b>Net Cash used in Investing Activities (B)</b>	<b>(353.53)</b>	<b>(0.89)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of share capital	76.45	25.00
Proceeds from Unsecured Loan	12.96	0.00
Repayment of Secured Loan	0.00	518.29
Interest paid	0.00	(0.39)
Increase in Security Premium	73.55	125.00
<b>Net Cash from financing activities (C)</b>	<b>162.96</b>	<b>667.90</b>
<b>Net Inflow/(Outflow) [A + B + C]</b>	<b>161.68</b>	<b>(2.39)</b>
Closing Balance of Cash and cash equivalents		
Cash In Hand	4.59	26.71
Balance With Current Accounts	184.33	0.04
Deposit Account	-	0.49
	<b>188.92</b>	<b>27.24</b>
Less: Opening Balance of Cash and cash equivalents		
Cash In Hand	26.71	27.60
Balance With Current Accounts	0.53	1.54
Deposit Account	-	0.49
	<b>27.24</b>	<b>29.62</b>
<b>Net increase in cash and cash equivalents</b>	<b>161.68</b>	<b>(2.39)</b>
As per our separate report of even date annexed		
<b>For M. K. Goswami &amp; Co.</b> <b>Chartered Accountants</b> <b>F. R. No. 002305N</b> Sd/- <b>CA V. K. Gupta</b> Partner M. No. 084450	Date: 4th September 2012 Place: New Delhi	For and on behalf of Board Sd/- <b>Saroj Gupta</b> Whole Time Director DIN : 00033430
		Sd/- <b>Sham Sundar Gupta</b> Managing Director DIN : 00006983
<b>AUDITOR'S CERTIFICATE</b>		
We have examined the above cash flow statement of DMC EDUCATION LTD. for the year ended on 31st March , 2012 & 31st March,2011. The statement has been prepared by the Company in accordance with requirements of clause 32 of Listing Agreement with the Stock Exchanges and is in agreement with corresponding Profit & Loss Account and Balance Sheet of the Company.		
<b>FOR M.K GOSWAMI &amp; Co.</b> <b>FRN 002305N</b> <b>Chartered Accountants</b> Sd/- <b>( CA V. K. GUPTA)</b> <b>PARTNER</b> <b>M. NO. 084450</b>		<b>Date: 4th September 2012</b> <b>PLACE : NEW DELHI</b>

## NOTE-18

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON THE BALANCE SHEET AND STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED 31ST MARCH, 2012.**

**1.0 SIGNIFICANT ACCOUNTING POLICIES****1.1 METHOD OF ACCOUNTING:**

- a) The company follows the mercantile system of accounting & recognizes income & expenditure on accrual basis.
- b) Financial statements are prepared on the historical cost convention and on the principles of going concern, and in accordance with the prevalent accounting standards as applicable except as stated otherwise.
- c) Accounting policies not specifically referred to otherwise, are consistent & in accordance with the generally accepted accounting principles followed by the company.

**1.2 REVENUE RECOGNITION**

Revenue is recognized only when it is earned & its collection is reasonably certain.

**1.3 FIXED ASSETS:**

Fixed assets are stated at cost of acquisition inclusive of freight, duties & taxes and incidental expenses less accumulated depreciation.

**1.4 INVESTMENTS:**

Investments are valued at cost of acquisition, which includes the brokerage and stamp duty. Dividend credited/debited for the ex-dividend/cum-dividend transactions are considered with the cost of acquisition of the investments.

**1.5 INVENTORIES:**

Closing stock has been valued at cost (FIFO Method) or market value whichever is less.

**1.6 DEPRECIATION:**

Depreciation is charged on a pro-rata basis on the WDV as per the rates for the Holding Company and SLM is followed for the subsidiary Company and in the manner prescribed under the Schedule XIV to the Companies Act, 1956.

**1.7 CONTINGENT LIABILITY**

Contingent liabilities are determined on the basis of available information and are disclosed by way of Notes to the Accounts.

**1.8 EMPLOYEE BENEFITS:**

Since there is no employee in the Company who has completed 5 years of service till the end of this financial year so no provision for gratuity has been made in these financial statements.

**2.0 NOTES FORMING PART OF ACCOUNTS:**

- 2.1 In the opinion of the Board, all the current assets, loans and advances are approximately of the value stated in the Balance Sheet, if realized in the ordinary course of the business.
- 2.2 The Company is in process of obtaining confirmation of Balance in respect of Trade Receivables, Trade Payables, Loans and Advances etc. Necessary adjustment, if any, will be made on receipts and reconciliation of such balance. In view of above, such balances are stated as per Books of Accounts only.

**2.3 MANAGERIAL REMUNERATION:**

Period/Year Ended	31-03-2012 (Amount in Rs)	31-3-2011 (Amount in Rs)
Salaries & Allowances	4, 80, 000 /-	4, 17, 290 /-

**2.4 AUDITORS REMUNERATION:**

Audit Fee	20,000.00	18, 000.00
Total	20,000.00	18, 000.00

**2.5 CONTINGENT LIABILITIES:**

Nil

Nil

**2.6 SEGMENT REPORTING (AS-17)**

As per management, there is only one reportable segment during the year.

**2.7 RELATED PARTY INFORMATION (AS-18)****A. Related Party Relationship**

i. Associate Company:  
Not Applicable

ii. Key Management Personnel:  
Saroj Gupta (Whole Time Director)  
Sham Sundar Gupta (Managing Director)  
Ravi Saini (Additional Director)  
Babulal Vijay (Director)

iii. Companies over which (ii) above has influence:  
Not Applicable

**B. Related Party Transactions**

PARTICULARS	Opening Balance	Received	Paid	Closing Balance	Maximun outstanding
NORTH INDIA SECURITIES PVT LTD.	17462727	2750000		14712727	14712727
KONICHIVA BUILDER LTD.	20765000	1283566		19481434	19481434
GUPTA & RAKESH ASSOCIATES	Nil	200000	67000	133000	133000

**2.8 ACCOUNTING FOR TAXES ON INCOME (AS-22):****a) Deferred tax liability :**

Up to 31.03.2011 on account of  
Timing Difference in Depreciable Assets

Rs. 47, 90, 486/-

Add : DTL

Rs. 16, 05, 409/-

Deferred Tax Liability upto 31-3-12

Rs.63, 95, 895/-

**2.9 Information pursuant to part II of the Companies Act 1956:**

- i) No of employees who are in receipt of remuneration of Rs. 60,00,000/- or more if employed full year or Rs. 5,00,000/- or more per month if employed for part of the year. Nil ( Previous year Nil )
- ii) Earning in Foreign Currency Nil ( Previous year Nil )
- iii) Expenditure in Foreign Currency Nil ( Previous year Nil )

2.10 According to the information available with the company, there is no amount due to Micro, Small & Medium Enterprises as at 31st March, 2012.

2.11 Previous year figures have been reclassified & regrouped wherever necessary.

As per our attached report of even date

**For M.K Goswami & Co.**  
**Firm Regn.No. 002305N**  
**Chartered Accountants**

**For & on behalf of the Board of Directors**

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

Sd/-  
 Saroj Gupta  
 (Whole Time Director)  
 (DIN - 00033430)

Sd/-  
 Sham Sundar Gupta  
 (Managing Director)  
 (DIN - 00006983)

Place: New Delhi  
 Date: 04/09/2012

## AUDITOR'S REPORT

To the Members,  
DMC EDUCATION LIMITED

We have audited the attached Balance Sheet of M/s DMC Education LIMITED, as at 31st March 2012 and also the annexed Statement of Profit and Loss 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 Statement of Profit and Loss 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 Statement of Profit and Loss 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, 2012, and
    - II. In the case of Statement of Profit and Loss, 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/-  
C.A. V. K. Gupta  
Partner  
M.No.-084450  
Place: New Delhi  
Date: 4th September 2012



### 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) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory. No material discrepancies were noticed during the physical verification of inventory as compared to the book records.
- (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 has 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.
- (b) According to the information and explanations given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute.

- (x) The company has no accumulated losses as at 31st March, 2012 and has 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 issued debentures to the M/s Brand Equity Ltd. & M/s D. B. Corporation Limited
- (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 by the company has been noticed or reported.

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

Sd/-  
C.A. V.K Gupta  
Partner  
M.No. -084450

Date: 4th September 2012  
Place: New Delhi

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31st, 2012

PARTICULARS	NOTE	As at 31-03-12	As at 31-03-11
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) SHAREHOLDER'S FUND</b>			
(a) SHARE CAPITAL	1	122,629,260	114,984,000
(b) RESERVES AND SURPLUS	2	110,148,739	104,303,870
<b>(2) NON CURRENT LIABILITIES</b>			
(a) LONG TERM BORROWINGS			
(i) UNSECURED LOANS	3	54,042,000	52,762,000
(b) DEFERRED TAX LIABILITY (NET)		6,414,850	4,802,767
<b>(3) CURRENT LIABILITIES</b>			
(a) TRADE PAYABLES		32,734,509	40,424,462
(b) OTHER CURRENT LIABILITIES	4	20,785,316	7,065,746
(c) SHORT TERM PROVISIONS	5	7,030,078	7,489,772
<b>TOTAL</b>		<b>353,784,752</b>	<b>331,832,617</b>
<b>II. ASSETS</b>			
<b>(1) NON CURRENT ASSETS</b>			
(a) FIXED ASSETS	6		
(i) TANGIBLE FIXED ASSETS		2,945,187	2,425,936
(ii) INTANGIBLE FIXED ASSETS		72,999,271	68,376,678
(b) NON CURRENT INVESTMENTS	7	33,088,265	10,724,840
(c) LONG TERM LOANS AND ADVANCES	8	105,386,395	89,127,534
(d) OTHER NON CURRENT ASSETS	9	16,110	32,222
<b>(2) CURRENT ASSETS</b>			
(a) INVENTORIES	10	2,207,458	-
(b) TRADE RECEIVABLES	11	70,628,862	124,934,294
(c) CASH AND CASH EQUIVALENTS	12	19,034,056	3,005,525
(d) SHORT TERM LOANS AND ADVANCES	13	47,479,148	33,205,588
<b>TOTAL</b>		<b>353,784,752</b>	<b>331,832,617</b>
NOTES TO ACCOUNTS & SIGNIFICANT ACCOUNTING POLICIES 19			
THE NOTE NOS 1 TO 18 ARE INTEGRATED PART OF FINANCIAL STATEMENTS			

IN TERMS OF OUR AUDIT REPORT OF EVEN DATE ATTACHED  
FOR **M. K. GOSWAMI & CO.**  
CHARTERED ACCOUNTANTS  
FRN 002305N

FOR & ON BEHALF OF BOARD

Sd/-  
(CA V. K. GUPTA )  
PARTNER  
M. NO. 084450

Sd/-  
SAROJ GUPTA  
WHOLE TIME DIRECTOR  
DIN -00033430

Sd/-  
SHAM SUNDAR GUPTA  
MANAGING DIRECTOR  
DIN -00006983

Date: 4th September 2012  
Place: New Delhi

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2012			
PARTICULARS	NOTE	As at 31-03-12	As at 31-03-11
I. REVENUE FROM OPERATIONS	14	150,881,473	166,262,442
II. OTHER INCOME	15	1,277,090	3,225,000
III. TOTAL REVENUE		<b>152,158,563</b>	<b>169,487,442</b>
IV. EXPENSES:			
PURCHASES		79,881,020	80,366,431
INVENTORIES		(2,207,458)	
EMPLOYEE BENEFIT EXPENSES	16	11,582,197	11,051,564
FINANCE COSTS	17	158,901	172,737
DEPRECIATION		8,907,173	5,834,836
OTHER EXPENSES	18	53,662,134	94,844,364
TOTAL EXPENSES		<b>151,983,967</b>	<b>192,269,932</b>
V. PROFIT BEFORE TAX(III-IV)		<b>174,596</b>	174,595 <b>(22,782,490)</b>
VI. TAX EXPENSE:			
(1)CURRENT TAX		38,269	497,963
(2)REGULAR ASSESSMENT TAX		36,994	0
(3)DEFERRED TAX		1,609,204	3,690,616
VII. PROFIT(LOSS) FOR THE PERIOD(V-VI)		<b>(1,509,871)</b>	<b>(26,971,069)</b>
VIII. EARNINGS PER EQUITY SHARE		(0.06)	(1.18)
(1)EQUITY		(0.06)	(1.18)
(2)DILUTED			
NOTES TO ACCOUNTS & SIGNIFICANT ACCOUNTING POLICIES	19		
THE NOTE NOS 1 TO 18 ARE INTEGRATED PART OF FINANCIAL STATEMENTS			

IN TERMS OF OUR AUDIT REPORT OF EVEN DATE ATTACHED  
FOR **M. K. GOSWAMI & CO.**  
CHARTERED ACCOUNTANTS  
FRN 002305N

FOR & ON BEHALF OF BOARD

Sd/-  
(CA V. K. GUPTA )  
PARTNER  
M. NO. 084450

Sd/-  
SAROJ GUPTA  
WHOLE TIME DIRECTOR  
DIN -00033430

Sd/-  
SHAM SUNDAR GUPTA  
MANAGING DIRECTOR  
DIN -00006983

Date: 4th September 2012  
Place: New Delhi

Notes to Balance Sheet as at March 31, 2012				
			As at March 31, 2012 Amount in Rs.	As at March 31, 2011 Amount in Rs.
<b>NOTE - 1</b>				
SHARE CAPITAL				
AUTHORIZED EQUITY SHARE CAPITAL				
31000000 EQUITY SHARES OF RS. 5/-EACH			155,000,000.00	155,000,000.00
(PR. YEAR 31000000 EQUITY SHARES OF RS. 5/-EACH				
AUTHORIZED PREFERENCE SHARE CAPITAL				
10% REDEEMABLE PREFERENCE SHARES 200000 SHARES OF RS. 5/- EACH			1,000,000.00	1,000,000.00
			156,000,000.00	156,000,000.00
ISSUED, SUBSCRIBED & PAID UP				
24325852 EQUITY SHARES OF RS. 5/-EACH			121,629,260.00	113,984,000.00
( PR. YEAR 22796800 EQUITY SHARES OF RS. 5/-EACH)				
200000 PREFERENCE SHARES OF RS.5/- EACH			1,000,000.00	1,000,000.00
			<b>122,629,260.00</b>	<b>114,984,000.00</b>
<b>DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% OF PAID UP EQUITY SHARE CAPITAL</b>				
SHAREHOLDER	31.03.2012	31.03.2011	AS AT 31.03.2012	AS AT 31.03.2011
	NO. OF SHARES	NO. OF SHARES	PERCENTAGE	PERCENTAGE
SHARK COMMUNICATION PVT LTD.	2630424	2630424	10.81%	10.81%
HT MEDIA LTD.	1529052	0	6.29%	0.00%
<b>SHARE RECONCILIATION STATEMENT</b>				
PARTICULARS	AS AT 31.03.2012 EQUITY		AS AT 31.03.2011 EQUITY	
SHARES OUTSTANDING AT THE BEGINNING OF THE YEAR	22,796,800		22,796,800	
SHARES ISSUED DURING THE YEAR	1,529,052		-	
SHARES BOUGHT BACK DURING THE YEAR	-		-	
SHARES OUTSTANDING AT THE END OF THE YEAR	24,325,852		22,796,800	
<b>NOTE - 2</b>				
<b>RESERVES AND SURPLUS</b>				
SHARE PREMIUM	83,782,630.00		76,427,890.00	
CAPITAL RESERVE	25,554,847.00		25,554,847.00	
CAPITAL REDEMPTION RESERVE	12,000,000.00		12,000,000.00	
PROFIT & LOSS ACCOUNT				
OPENING BALANCE	(9,678,867.00)		17,292,202.00	
ADD: PROFIT/(LOSS) OF CURRENT YEAR	(1,509,871.00)		(26,971,069.00)	
CLOSING BALANCE	(11,188,738.00)		(9,678,867.00)	
	110,148,739.00		104,303,870.00	
<b>NOTE - 3</b>				
<b>UNSECURED LOANS</b>				
0% CONVERTIBLE DEBENTURES	53,400,000.00		41,700,000.00	
OTHER LOANS	642,000.00		11,062,000.00	
	54,042,000.00		52,762,000.00	

	As at March 31, 2012 Amount in Rs.	As at March 31, 2011 Amount in Rs.
<b>NOTE - 4</b>		
<b>OTHER CURRENT LIABILITIES</b>		
ADVANCE FROM CUSTOMERS	14,156,500.00	1,325,133.00
ADVANCE AGAINST PROPERTY	1,842,000.00	1,842,000.00
STATUTORY DUES:		
CST PAYABLE	2,805.00	-
LST PAYABLE	32,360.00	-
OTHER LIABILITIES	67,639.00	67,392.00
EXPENSE PAYABLE	857,037.00	493,860.00
DUTIES AND TAXES	1,901,514.00	1,895,206.00
TDS PAYABLE	1,925,461.00	1,442,155.00
	20,785,316.00	7,065,746.00
<b>NOTE - 5</b>		
<b>SHORT TERM PROVISIONS</b>		
PROVISION FOR INCOME TAX	6,991,809.00	7,489,772.00
PROVISION FOR INCOME TAX CURRENT YEAR	38,269.00	-
	7,030,078.00	7,489,772.00
<b>NOTE-7</b>		
<b>NON CURRENT INVESTMENTS</b>		
INVESTMENT IN QUOTED EQUITY INSTRUMENTS	1,049,265.00	774,840.00
INVESTMENT IN UNQUOTED EQUITY INSTRUMENTS		
EQUITY SHARES OF VSOFTECH SERVICES PVT LTD.	8,000,000.00	8,000,000.00
EQUITY SHARES OF ASSAR INFOTECH PVT LTD.	500,000.00	-
EQUITY SHARES OF ESSENCE TECHNOSERVICES PVT LTD.	1,000,000.00	-
EQUITY SHARES OF PARAS REALTECH LTD.	20,000,000.00	-
EQUITY SHARES OF PROMILLA ROLLER FLOUR MILLS PVT LTD.	539,000.00	-
EQUITY SHARES OF RADICAL DEVELOPERS PVT LTD.	-	1,450,000.00
EQUITY SHARES OF SRR TECHNOSERVICES PVT LTD.	500,000.00	-
EQUITY SHARES OF DHRUV INTERNATIONAL PVT LTD.	1,000,000.00	-
EQUITY SHARES OF SURYA HATCHERY PVT LTD.	500,000.00	500,000.00
	33,088,265.00	10,724,840.00
<b>NOTE-8</b>		
LONG TERM LOANS & ADVANCES		
UNSECURED CONSIDER GOODS		
DEPOSITS	841,085.00	-
LOANS & ADVANCES TO RELATED PARTIES	1,660,000.00	-
OTHERS	102,885,310.00	89,127,534.00
	105,386,395.00	89,127,534.00
<b>NOTE-9</b>		
<b>OTHER NON CURRENT ASSETS</b>		
MISC. EXPENDITURE		
TO THE EXTENT NOT WRITTEN OFF		
OPENING BALANCE	32,222.00	48,334.00
LESS: WRITTEN OFF DURING THE YEAR	16,112.00	16,112.00
	16,110.00	32,222.00
<b>NOTE-10</b>		
<b>INVENTORIES</b>		
(AS TAKEN VALUED & CERTIFIED BY THE MANAGEMENT)		
STOCK-IN-TRADE (BOOKS)	2,207,458.00	-
	2,207,458.00	-

	As at March 31, 2012 Amount in Rs.	As at March 31, 2011 Amount in Rs.
<b>NOTE-11</b>		
<b>TRADE RECEIVABLES</b>		
TRADE RECEIVABLES OUTSTANDING FOR A PERIOD LESS THAN SIX MONTHS - UNSECURED CONSIDERED GOOD	12,597,327.00	54,708,433.00
TRADE RECEIVABLES OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTHS - UNSECURED CONSIDERED GOOD	58,031,535.00	70,225,861.00
	70,628,862.00	124,934,294.00
<b>NOTE-12</b>		
<b>CASH &amp; CASH EQUIVALENTS</b>		
CASH IN HAND	574,910.00	2,937,579.00
BALANCE WITH BANKS: IN CURRENT ACCOUNTS	18,459,145.95	67,946.26
	19,034,055.95	3,005,525.26
<b>NOTE-13</b>		
<b>SHORT TERM LOANS &amp; ADVANCES</b>		
LOANS & ADVANCES TO RELATED PARTIES: - UNSECURED CONSIDERED GOOD	34,139,789.00	30,922,100.00
INTEREST RECEIVABLE/RECOVERABLE		
DEPOSITS	13,500.00	741,085.00
BALANCE WITH REVENUE AUTHORITIES		
- TDS 2011-12	106,229.00	-
- TDS 2010-11	1,080,364.00	536,763.00
- TDS 2008-09	31,636.00	-
- TDS 2002-03	978.00	978.00
- TDS 2004-05	4,662.00	4,662.00
- TDS RECEIVABLE	451,990.00	-
OTHER SHORT TERM LOANS & ADVANCES		
SHARE APPLICATION MONEY	11,650,000.00	1,000,000.00
	47,479,148.00	33,205,588.00
<b>LOANS &amp; ADVANCES STATED ABOVE INCLUDES AMOUNTS DUE BY:</b>		
-PRIVATE COMPANIES IN WHICH DIRECTOR IS A DIRECTOR	9,981,500.00	741,000.00
<b>NOTE-14</b>		
<b>REVENUE FROM OPERATIONS</b>		
CONSULTANCY INCOME	100,000.00	-
FRANCHISE INCOME	1,910,620.00	1,701,000.00
SALE OF BOOKS	140,251,567.00	155,923,337.00
SALE OF SOFTWARE	875,150.00	524,313.00
TUTION INCOME	7,744,136.00	8,113,792.00
	150,881,473.00	166,262,442.00
<b>NOTE-15</b>		
<b>OTHER INCOME</b>		
ADVERTISEMENT INCOME	1,150,000.00	-
SALE OF INVESTMENT	77,442.00	3,225,000.00
INTEREST INCOME	49,648.00	-
	1,277,090.00	3,225,000.00
<b>NOTE-16</b>		
<b>EMPLOYEE BENEFIT EXPENSES</b>		
SALARY & WAGES	10,007,737.00	8,987,350.00
STAFF WELFARE	1,048,753.00	677,389.00
INCENTIVES	525,707.00	946,710.00
OVERTIME	-	440,115.00
	11,582,197.00	11,051,564.00
<b>NOTE-17</b>		
<b>FINANCE COSTS</b>		
INTEREST ON LOAN	-	38,703.00
BANK CHARGES	158,901.00	134,034.00
	158,901.00	172,737.00

	As at March 31, 2012 Amount in Rs.	As at March 31, 2011 Amount in Rs.
<b>NOTE-18</b>		
<b>OTHER EXPENSES</b>		
ACCOUNTING EXPENSES	84,000.00	37,400.00
ADVERTISEMENT EXPENSES	21,567,587.00	8,448,035.00
AUDITORS REMUNERATION	30,000.00	26,000.00
AMC CHARGES	118,080.00	114,210.00
A.G.M & E.G.M. EXPENSES	87,400.00	-
BAD DEBTS	3,490,144.00	37,802,070.00
BOARD MEETING EXPENSES	144,320.00	84,500.00
BOOKS FORMATING CHARGES	219,790.00	
BOOKS & PERIODICALS	142,831.00	275,794.00
BUSINESS PROMOTION EXPENSES	1,554,869.00	1,091,328.00
CABLE EXPENSES	-	4,531.00
COMMISSION EXPENSES	270,438.00	1,099,938.00
COMPUTER STATIONARY EXPENSES	334,863.00	684,361.00
CONVEYANCE EXPENSES	782,201.00	724,207.00
DEVELOPMENT CHARGES	-	115,500.00
DATA PURCHASE AND VALIDATION COST	151,000.00	218,974.00
DESIGNING EXPENSES	-	97,650.00
DIWALI BONUS	574,200.00	-
DONATION	577,100.00	-
ELECTRICITY EXPENSES	600,810.00	425,980.00
ELECTRICAL MAINTENANCE GOODS	247,847.00	103,987.00
TUTION FEES REFUND	-	244,908.00
FRANCHISE EXPENSES	-	971,970.00
FILING , LISTING & CUSTODIAL FEE	253,256.00	130,620.00
INTERNET EXPENSES	109,334.00	204,606.00
JOB WORK	1,702,443.00	1,021,269.00
MISCELLANEOUS EXPENSES	471,850.00	645,355.00
LECTURE FEES	1,751,264.00	516,821.00
MOBILE EXPENSES	38,250.00	128,870.00
OFFICE MAINTENANCE	446,906.00	343,851.00
LEGAL & PROFESSIONAL CHARGES	2,440,560.00	5,877,080.00
LOSS ON SALE OF ASSET	-	428,750.00
PHOTOCOPY EXPENSES	697,774.00	619,987.00
POSTAGE & COURIER EXPENSES	190,628.00	174,154.00
PROFESSIONAL TAX	3,500.00	16,002.00
POSTAL BALLOT CHARGES	124,520.00	-
PRELIMINARY EXPENSES	16,111.00	16,112.00
PRINTING & STATIONERY	1,475,003.00	693,977.00
PRIOR PERIOD EXPENSES	-	24,805,038.00
PROOF READING EXPENSES	181,270.00	486,340.00
RENOVATION EXPENSES	-	690,760.00
RENT	2,711,600.00	1,923,000.00
REPAIR & MAINTENANCE EXPENSES	730,260.00	616,715.00
ROC EXPENSES	14,790.00	7,325.00
SEMINAR EXPENSES	152,289.00	112,770.00
SPONSHORSHIP CHARGES	6,124,520.00	-
SMS CHARGES	132,230.00	2,000.00
STUDENT REFRESHMENT EXPENSES	411,290.00	-
STUDY MATERRIAL EXPENSES	121,190.00	-
TELEPHONE EXPENSES	1,027,543.00	595,325.00
TRAVELLING EXPENSES	650,032.00	798,729.00
TYPING EXPENSES	174,520.00	476,154.00
WATER EXPENSES	157,531.00	162,726.00
WEBSITE MAINTENANCE EXPENSES	374,190.00	778,685.00
	53,662,134.00	94,844,364.00



(in Rupees)

NOTE - 6 FIXES ASSETS	GROSS BLOCK				DEPRECIATION BLOCK			NET BLOCK	
	As At 01/04/2011	Add. during the year	Sale Adjust- ment	Total as at 31/03/2012	Up to 01/04/2011	During the Year	Up to 31/03/2012	As At 31/03/2012	As At 31/03/2011
<b>TANGIBLE FIXED ASSETS</b>									
COMPUTERS	3,516,842	881,412	-	4,398,254	2,318,749	756,663	3,075,412	1,322,842	1,184,027
FURNITURE & FIXTURES	1,273,001	326,697	-	1,599,698	733,031	128,406	861,437	738,261	545,092
OFFICE EQUIPMENTS	658,294	211,815	88	870,021	302,869	68,653	371,522	498,499	396,287
CAMERA	30,000	-	-	30,000	20,217	1,361	21,578	8,422	9,783
AIR CONDITIONERS	336,980	101,300	-	438,280	46,233	49,683	95,916	342,364	290,747
MACHINERY & EQUIPMENT	2,033,937	-	-	2,033,937	1,989,043	-	1,989,043	44,894	44,894
<b>TOTAL</b>	<b>7,849,054</b>	<b>1,521,224</b>	<b>88</b>	<b>9,370,190</b>	<b>5,410,142</b>	<b>1,004,766</b>	<b>6,414,908</b>	<b>2,955,282</b>	<b>2,470,830</b>
<b>ITANGIBLE FIXED ASSETS</b>									
PRODUCTION SOFTWARE	945,600	-	-	945,600	830,710	28,721	859,431	86,169	114,890
COMPUTER SOFTWARE	3,068,573	25,000	-	3,093,573	2,276,785	201,140	2,477,925	615,648	791,788
IPR & BRAND EQUITY	52,500,000	12,500,000	-	65,000,000	7,612,500	5,414,296	13,026,796	51,973,204	44,887,500
CONTENT DEVELOPMENT	22,582,500	-	-	22,582,500	-	2,258,250	2,258,250	20,324,250	22,582,500
<b>TOTAL</b>	<b>79,096,673</b>	<b>12,525,000</b>	<b>-</b>	<b>91,621,673</b>	<b>10,719,995</b>	<b>7,902,407</b>	<b>18,622,402</b>	<b>72,999,271</b>	<b>68,376,678</b>
<b>GRAND TOTAL</b>	<b>86,945,727</b>	<b>14,046,224</b>	<b>88</b>	<b>100,991,863</b>	<b>16,130,137</b>	<b>8,907,173</b>	<b>25,037,310</b>	<b>75,954,553</b>	<b>70,847,508</b>
PREVIOUS YEAR	65,901,712	18,811,923	-	84,713,635	8,076,185	5,834,836	13,911,021	70,847,508	57,825,528

FOR &amp; ON BEHALF OF BOARD

Sd/-

**SAROJ GUPTA**  
WHOLE TIME DIRECTOR  
DIN : 00033430

Sd/-

**SHAM SUNDER GUPTA**  
MANAGING DIRECTOR  
DIN : 00006983

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

Rs. In Lacs

PARTICULARS	As at 31-03-2012	As at 31-03-2011
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit/(Loss) before tax	(15.10)	(227.82)
Add: Adjustments for Depreciation	89.07	58.35
Add: Deferred Tax Liability	16.09	0.00
Add: Provision for Tax	0.38	-
Add: Preliminary Expense	0.16	0.16
<b>Operating Profit after tax before working</b>	<b>90.61</b>	<b>(169.32)</b>
Capital changes, Adjustment for:		
Trade and other receivables	543.05	(709.78)
Inventories	(22.07)	184.92
Loans and Advances	(305.32)	(131.48)
Trade payables	(76.90)	259.30
Current Liabilities	132.22	-
Cash Flow from Operating Activities	0.00	-
<b>Net Cash Flow from Operating Activities (A)</b>	<b>361.58</b>	<b>(566.35)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Investments	(223.63)	-
Purchase of Fixed Assets	(140.46)	(188.12)
Sale of Investments	-	55.59
<b>Net Cash used in Investing Activities (B)</b>	<b>(364.10)</b>	<b>(132.53)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of share capital	150.00	175.77
Proceeds from Unsecured Loan	12.80	523.54
Repayment of Secured Loan	0.00	0.00
<b>Net Cash from financing activities (C)</b>	<b>162.80</b>	<b>699.31</b>
<b>Net Inflow/(Outflow) [A + B + C]</b>	<b>160.28</b>	<b>0.43</b>
Closing Balance of Cash and cash equivalents		
Cash In Hand	5.75	29.38
Balance With Current Accounts	184.59	0.68
	<b>190.34</b>	<b>30.06</b>
Less: Opening Balance of Cash and cash equivalents		
Cash In Hand	29.38	27.60
Balance With Current Accounts	0.68	2.02
	<b>30.06</b>	<b>29.62</b>
<b>Net increase in cash and cash equivalents</b>	<b>160.29</b>	<b>0.43</b>

As per our separate report of even date annexed

For M. K. Goswami &amp; Co.

Chartered Accountants

F. R. No. 002305N

Sd/-

CA V. K. Gupta

Partner

M. No. 084450

Date: 4th September 2012

Place: New Delhi

For and on behalf of Board

Sd/-

Saroj Gupta

Whole Time Director

DIN : 00033430

Sd/-

Sham Sundar Gupta

Managing Director

DIN : 00006983

## AUDITOR'S CERTIFICATE

We have examined the above cash flow statement of DMC EDUCATION LTD. for the year ended on 31st March, 2012 & 31st March, 2011. The statement has been prepared by the Company in accordance with requirements of clause 32 of Listing Agreement with the Stock Exchanges and is in agreement with corresponding Profit & Loss Account and Balance Sheet of the Company.

FOR M. K. GOSWAMI &amp; Co.

FRN 002305N

Chartered Accountants

Sd/-

(CA V. K. GUPTA)

PARTNER

M. NO. 084450

Date: 4th September 2012

PLACE : NEW DELHI

**NOTE-19****SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON THE BALANCE SHEET AND STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED 31ST MARCH, 2012.****1.0 SIGNIFICANT ACCOUNTING POLICIES****1.1 METHOD OF ACCOUNTING:**

- a) The company follows the mercantile system of accounting & recognizes income & expenditure on accrual basis.
- b) Financial statements are prepared on the historical cost convention and on the principles of going concern, and in accordance with the prevalent accounting standards as applicable except as stated otherwise.
- c) Accounting policies not specifically referred to otherwise, are consistent & in accordance with the generally accepted accounting principles followed by the company.

**1.2 REVENUE RECOGNITION**

Revenue is recognized only when it is earned & its collection is reasonably certain.

**1.3 FIXED ASSETS:**

Fixed assets are stated at cost of acquisition inclusive of freight, duties & taxes and incidental expenses less accumulated depreciation.

**1.4 INVESTMENTS:**

Investments are valued at cost of acquisition, which includes the brokerage and stamp duty. Dividend credited/ debited for the ex-dividend/cum-dividend transactions are considered with the cost of acquisition of the investments.

**1.5 INVENTORIES:**

Closing stock has been valued at cost (FIFO Method) or market value whichever is less.

**1.6 DEPRECIATION:**

Depreciation is charged on a pro-rata basis on the WDV as per the rates for the Holding Company and SLM is followed for the subsidiary Company and in the manner prescribed under the Schedule XIV to the Companies Act, 1956.

**1.7 CONTINGENT LIABILITY**

Contingent liabilities are determined on the basis of available information and are disclosed by way of Notes to the Accounts.

**1.8 EMPLOYEE BENEFITS:**

Since there is no employee in the Company who has completed 5 years of service till the end of this financial year so no provision for gratuity has been made in these financial statements.

**2.0 NOTES FORMING PART OF ACCOUNTS:**

- 2.1 In the opinion of the Board, all the current assets, loans and advances are approximately of the value stated in the Balance Sheet, if realized in the ordinary course of the business.
- 2.2 The Company is in process of obtaining confirmation of Balance in respect of Trade Receivables, Trade Payables, Loans and Advances etc. Necessary adjustment, if any, will be made on receipts and reconciliation of such balance. In view of above, such balances are stated as per Books of Accounts only.

**2.3 MANAGERIAL REMUNERATION:**

Period/Year Ended	31-03-2012 (Amount in Rs)	31-3-2011 (Amount in Rs)
Salaries & Allowances	4, 80, 000 /-	4, 17, 290 /-

**2.4 AUDITORS REMUNERATION:**

Audit Fee	30,000.00	26, 000.00
Total	30,000.00	26, 000.00

**2.5 CONTINGENT LIABILITIES:**

Nil Nil

**2.6 SEGMENT REPORTING (AS-17)**

As per management, there is only one reportable segment during the year.

**2.7 RELATED PARTY INFORMATION (AS-18)****A. Related Party Relationship****i. Associate Company:**

Not Applicable

**ii. Key Management Personnel:**

Saroj Gupta (Whole Time Director)  
Sham Sundar Gupta (Managing Director)  
Ravi Saini (Additional Director)  
Babulal Vijay (Director)

**iii. Companies over which (ii) above has influence:**

Not Applicable

**B. Related Party Transactions**

PARTICULARS	Opening Balance	Received	Paid	Closing Balance	Maximun outstanding
NORTH INDIA SECURITIES PVT LTD.	17462727	2750000		14712727	14712727
KONICHIVA BUILDER LTD.	20765000	1283566		19481434	19481434
GUPTA & RAKESH ASSOCIATES	Nil	200000	67000	133000	133000

**2.8 ACCOUNTING FOR TAXES ON INCOME (AS-22):****a) Deferred tax liability :**

Up to 31.03.2011 on account of

Timing Difference in Depreciable Assets

Rs. 48, 02, 767/-

Add : DTL

Rs. 16, 12, 083/-

Deferred Tax Liability upto 31-3-12

Rs.64, 14, 850/-

**2.9 Information pursuant to part II of the Companies Act 1956:**

i) No of employees who are in receipt of remuneration of Rs. 60,00,000/- or more if employed full year or Rs. 5,00,000/- or more per month if employed for part of the year.	Nil	( Previous year Nil )
ii) Earning in Foreign Currency	Nil	( Previous year Nil )
iii) Expenditure in Foreign Currency	Nil	( Previous year Nil )

2.10 According to the information available with the company, there is no amount due to Micro, Small & Medium Enterprises as at 31st March, 2012.

2.11 Previous year figures have been reclassified & regrouped wherever necessary.

As per our attached report of even date

**For M.K Goswami & Co.**  
**Firm Regn.No. 002305N**  
**Chartered Accountants**

**For & on behalf of the Board of Directors**

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

**Sd/-**  
**Saroj Gupta**  
 (Whole Time Director)  
 (DIN - 00033430)

**Sd/-**  
**Sham Sundar Gupta**  
 (Managing Director)  
 (DIN - 00006983)

Date: 4th September 2012  
 Place: New Delhi

**DMC EDUCATION LIMITED**

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

**PROXY FORM**

I/We \_\_\_\_\_ of \_\_\_\_\_ being member/members of the above named Company hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him/her \_\_\_\_\_ of \_\_\_\_\_ as my/our Proxy to vote for me/us behalf at the 28th Annual General Meeting of the Company to be held on Saturday the 29th September, 2012 at 4:30P.M. at Arya Public school, Raja Bazar, Connaught Place, New Delhi-110001 and at any adjourned meeting thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012.

Signature \_\_\_\_\_

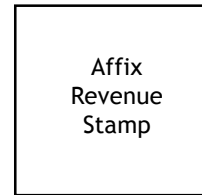
Regd. Folio No. \_\_\_\_\_

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

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

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

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



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

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

**DMC EDUCATION LIMITED**

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

**ATTENDANCE SLIP**

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

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

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

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

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

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

I hereby record my presence at the 28th Annual General Meeting of the Company at Arya Public school, Raja Bazar, Connaught Place, New Delhi-110001 at 4:30 P.M on Saturday the 29thSeptember, 2012.

\_\_\_\_\_

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.