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# ANNUAL REPORT 2009-2010

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## COMPANY INFORMATION

### Board of Directors

#### CHAIRMAN

Brig. S.V.S Chowdhry

#### CEO & MANAGING DIRECTOR

Mr. Navin Gupta

#### DIRECTORS

Mr. R.L Gupta

Mr. Kailash Nath

Mr. Sarabjit Singh Saini

Dr. A.K Khare

Mr. Rasik Makkar

Mr. H.P Singh

Mr. J.K Bholā

Mr. H.R Issarani

Mr. L.C Goel

#### COMPANY SECRETARY

Mr. Shrey Rustagi

#### AUDITORS

Nath & Hari, Chartered Accountants

#### REGISTRAR & TRANSFER AGENTS

Alankit Assignments Limited

2E/21, Anarkali House, Jhandewalan Extn.

New Delhi-110055

#### REGISTERED OFFICE

5, Sant Nagar, East of Kailash, New Delhi-110065

[www.iecgroup.in](http://www.iecgroup.in)

#### HEAD OFFICE

M-92, Connaught Place, New Delhi-110001

## COMMITTEES OF BOARD OF DIRECTORS

### Audit Committee

Brig. S.V.S. Chowdhry, Chairman

Mr. Kailash Nath, Member

Mr. Sarabjit Singh Saini, Member

### Shareholder's Committee

Mr. Kailash Nath, Chairman

Brig. S.V.S. Chowdhry, Member

Mr. Sarabjit Singh Saini, Member

### Remuneration Committee

Brig. S.V.S Chowdhry, Chairman

Mr. H.P Singh, Member

Mr. Sarabjit Singh Saini, Member

Dr. A.K Khare, Member

### Subsidiary Companies

IEC Leasing and Capital Management Ltd

IEC Learning and Management Ltd.

IEC Education and Infrastructure Ltd.



## *Mission*

IEC has always adhere to growth through its commitment and mission. IEC had introduced the concept “KG to PG” - A Unique & highly effective business model/concept where in it continually works with an individual for more than fifteen years on average. It begins with the informal childhood learning at our Kindergarten and culminates into a graduation/post graduation degree for him.

The captive fifteen plus years time span that an individual spends at IEC provides us with the opportunity to create mutual wealth both in quality and value terms.

## *Vision*

It is IEC constant endeavour to delight all its target groups through excellence in service delivery and achieving the worldwide recognition. To be a center of excellence for quality education, where old ideas are challenged and new concepts nurtured, to be a seat of world class education from where Technocrats and Managers would emerge empowered to face the challenges of ever changing society with courage, conviction and compassion.

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# From the Desk of CEO & MD

Dear Shareholders,

I am delighted to report another excellent set of results reported by your company during the past financial year. This has been possible through strong focus on efficiency and efficient cost management system and through focus on new initiatives in Education sector.

Your company is in niche service sector. For the last half decade there is a robust performance by the Services Sector in India, which has been clocking strong double-digit growth rates over the past few years, and has been primarily accountable for the high GDP growth rates recorded. This fantastic growth rate has been achieved due to the humongous talent pool available in India, which is a subset of its entire population. The biggest asset of any country is its people. India has a population of more than 110cr, the second-largest in the world. However, India's literacy rate is not even two – third of the Total population, thus, there is a short supply of educated manpower in India. In fact, there is a huge requirement of talent in the fields of Hospitality, IT Services, Retail, Financial Services and Aviation, to name a few. This call for a high investment and growing participation both from Government as well as the Private sector. However, the Government has its own boundations with limited funds and expertise and the Private sector participation lacks due to the Regulatory barriers which prohibits the profit making activity in Education sector. It is well established fact that private sector recognizes his Social Responsibility but after ensuring with them set level of profits. It certainly calls for much-needed transform in the regulatory measures to ensure the Private Participation in this sector.

The numbers of junior basic schools are highest in the country and there is a strong need to set up higher secondary schools as well as colleges with a focus on IT education. Government has set up many ICT schools but still more than fifty percent of the market is untapped which shows an opportunity for private players. In respect to the country's population and number of students, trained teacher's ratio is low which emphasizes the need of training institutes. The growing IT industry in India is driving IT education and training market as well as enhanced teaching techniques.

## Financial Performance

The last fiscal year was rise to the new landmarks, and new targets for your company. The Net Profits of the Company has increased by over 33% and Profit After Tax by 20%. Your Company is trying to channelise every form of formal education activity and is venturing into new tie ups. In last fiscal, VEF the collaborator of your company has expanded its roots to management courses by starting Post Graduation Management Program (PGDM) in its campus, the Program is running successfully.

Last FY Company has reported the gross revenue of Rs.902.32 Lacs, out of which Personality Development Program (PDP) with 746.19 Lacs forms the major portion and income from training segment reported 86.23 Lacs while franchise and other miscellaneous income reported 69.90 Lacs.

The management of your company is committed towards excellence and to take your company towards new height of success.

Yours sincerely,  
With best wishes,

**Navin Gupta**  
CEO and MD



# NOTICE

Notice is hereby given that the 16th Annual General Meeting of the members of IEC EDUCATION LIMITED will be held on Friday, September 24, 2010 at 3.30 P.M at Sri Sathya Sai International Centre, Lodhi Road, Institutional Area, Pragati Vihar, New Delhi-110003 to transact the following Business:

## Ordinary Business

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2010 and Profit and Loss account for the year ended on that date along with the Director's Report and Auditor's Report thereon.
2. To Consider and appoint a Director in place of Mr. Sarabjit Singh Saini, who retires by rotation and being eligible offers himself for re-appointment.
3. To Consider and appoint a Director in place of Mr. H.R. Issarani, who retires by rotation and being eligible offers himself for re-appointment.
4. To Consider and appoint a Director in place of Mr. J.K. Bholra, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as ordinary resolution:-

**"RESOLVED THAT,** M/s Nath & Hari, Chartered Accountants, be and is hereby re-appointed as auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of Next Annual general Meeting of the company on such remuneration as shall be fixed by the Board of Directors."

## Special Business

6. Amendment in Articles of Association

To Consider and if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:-

**"RESOLVED THAT,** in pursuance to the provisions of Section 192A read with Section 31 of the Companies Act, 1956 and other applicable provisions, if any, after Article 66A of the Articles of Association of the Company the following article is inserted:

66A. Notwithstanding anything contained in the Articles of Association of the Company but subject to the provisions of the Act, the Company do adopt the mode of passing a resolution by the members of the Company by means of a postal ballot and/or other ways as may be prescribed by the Central Government in this behalf in respect of the following matters instead of transacting such business in a General Meeting of the Company:-

- (i) Any business that can be transacted by the Company in General Meeting as prescribed by law; and
- (ii) Particularly, resolutions relating to such business as the Central Government may by notification, declare to be conducted only by postal ballot.

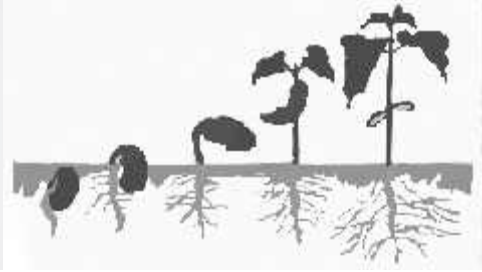
The Company shall comply with the procedure for such postal ballot and/ or other ways prescribed by the Central Government in this regard.

Place: Delhi

Date: 23rd August, 2010

By Order of the Board.  
For and on behalf of IEC EDUCATION LIMITED

Sd/-  
Shrey Rustagi  
(Company Secretary)



## NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LATER THAN FOURTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Members / Proxies should bring the attendance slip duly filled in for attending the meeting.
3. Shareholders seeking any information with regard to the accounts are requested to write to the Company at an early date but not later than 48 hours before the scheduled time of holding the AGM.
4. Shareholders are requested to kindly bring their copies of Annual Report to the meeting.
5. Members are requested to quote their registered folio number in all correspondence with Company and notify the Company immediately of change, if any, in their address.
6. The register of members and share transfer books of the Company will remain closed from 17-09-2010 to 24-09-2010 (both days inclusive)
7. Information required to be furnished under the Listing Agreement.



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

1. **Name** : **Mr. Sarabjit Singh Saini**  
**Age** : 39  
**Qualification** : B.Com  
**Shareholding** : 2800  
**Profile** : Mr. Sarabjit Singh Saini is a successful industrialist having wide experience in running industry and business. He has a rich experience in administration, finance and various aspects of business dealing. He is adept in dealing with higher Government authorities and handling successfully large workforce both at national and international level.

**Director of the Company since 25th Oct, 2005.**

**Other Directorship** : All Time Consultancy Private Limited.

2. **Name** : **Mr. H.R. Issarani**  
**Age** : 63  
**Qualification** : B.Com, M.A, CAIIB, Diploma in Labour Laws  
**Shareholding** : Nil  
**Profile** : Mr. H.R. Issarani has rich experience of 32 years in Banking and has held various posts in many parts of our country like Rajasthan, Punjab, Gujarat, West Bengal, Haryana and U.P. He has given his dynamic leadership to India's biggest branch of Syndicate Bank in Nehru Place, New Delhi. Prior to joining Syndicate Bank he served as a lecturer for a year in Lal Bahadur Shastri College, Rajasthan. His career span includes stints at various banks in the country. In his last role he served as the Chairman of Gurgaon Gramin Bank. Before that he has held important positions like Zonal Manager, Syndicate bank Faridabad, Director of Gurgaon Gramin Bank, Zonal Manager, Syndicate Bank, Zonal office Lucknow, Meerut Wing.

**Director of the Company since 4th Jan, 2008.**

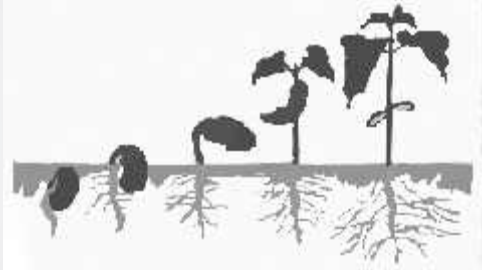
**Other Directorship** : Nil

3. **Name** : **Mr. J. K. Bhola**  
**Age** : 45  
**Qualification** : L.L.B., M.SC  
**Shareholding** : Nil  
**Profile** : Mr. J.K. Bhola is an Advocate by profession, practicing before hon'ble Supreme Court of India, High Courts, District Courts of various states including Delhi, Mumbai, Kolkata, Haryana, Chandigarh, Allahabad, Himachal Pradesh and Gujarat. He has rich experience in handling civil and criminal cases, Consumer cases and cases under Negotiable Instrument Act. Mr. Bhola has experience of almost 20 yrs his expertise is in handling industrial and labors cases.

**Director of the Company since 4th Jan, 2008.**

**Other Directorships** : NIL





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

### **Item: 6**

Existing Articles of Association of the company do not provide power to pass the shareholders resolution through Postal Ballot except for the business mentioned under Companies (Passing of the Resolution by Postal Ballot) Rules, 2001. The proposed Article is being introduced to include any item which can be passed in the general meeting through Postal Ballot as per Section 192A of the Companies Act, 1956. Your Directors recommend the resolution for your approval.

None of the Directors of the Company is interested in the resolution.

Date: 23rd August 2010

Place: Delhi

By Order of the Board

Sd/-

Shrey Rustagi  
(Company Secretary)



# Directors' Report

## To the Members

Directors of your company are pleased to present 16th Annual Report together with statement of Audited Accounts and Auditors' Report for the year ended March, 31, 2010.

## Financial Results

(Amount in Rs. Lakhs)

Particulars	Year ended	Year ended
	31.03.2010	31.03.2009
Income from Operations	875.12	916.07
Other income	27.19	31.91
Total Expenditure	595.54	679.12
Profit Before Interest, Depreciation & Tax	306.77	268.86
Interest	20.06	15.88
Depreciation & Amortisation	58.76	81.01
Profit Before Tax	227.95	171.96
Provision for Tax	34.65	11.54
Profit After Tax	193.30	160.42

## Operations

Last Financial Year was very challenging to the world economy with widespread economic crisis the world has ever faced since Great Depression of 1930s. However, the efficient management of your company has not led to its impact on profitability and growth of the company and for the third consecutive year the company has shown a remarkable increase in profits. One of the reasons behind this consistency is the comeback of Mr. Navin Gupta as MD and CEO of your company and ever since his appointment your Company is sailing on high growth of success. He is a well known name in the Education sector and has taken some key policy decisions to rollover the company again on track of profits.

The Net Profits of the company have increased by 32.56 % from Rs.171.96 lac to Rs. 227.95 lac and Profits after tax (PAT) has increased by 20.50 % from Rs. 160.42 lac to Rs. 193.30. However, due to slow pace of the industry the total turnover of the company has declined from Rs. 947.98 lac to Rs. 902.32 lac. The Basic Earning per share and Diluted Earning per Share are 1.34 and 1.27 respectively.

The management has brought a change in its perception of doing business and has shown their belief in doing business which is more profitable rather than simply running in volumes, the turnover of the company is low in comparison to the last fiscal inspite there is a steep increase in the profits of the company proving the worth of management's decision.



During recent years your company has entered into a consortium with Vocational Educational Foundation (VEF), a non-profit organization engaged in providing higher education and Vocational Education Trust (VET), a public trust engaged in Education activities for joint effort to explore new ventures in Education sector. Last fiscal VEF entered into a Concession Agreement with Government of Punjab to open up a Polytechnic college at Nanowal, Punjab, the college is scheduled to be rolled out in FY 2011, the construction of the site is going at its full pace. VEF is also upcoming with University of its own at Baddi, Himachal Pradesh and has received LOI from Government of Himachal Pradesh. Your company is in final negotiations for collaboration with VEF providing services and other facilities to the upcoming University at Baddi, management expects the collaboration in near future. VET also is growing with the same pace and during last Financial year has acquired institutional land in Alwar and is planning to open College on it.

### **Business Activities**

The Company is principally been involved in conducting Personality Development Programs (PDP) in various colleges, other major business activities includes ICT projects and providing IT Training through 30 franchisees across North India. During last Financial Year revenues from PDP projects has increased by five times. Last year the ICT project of Rajasthan was successfully completed.

### **Changes in Capital Structure**

As the members are aware that during the year 2008, the Company had allotted 70 lac Warrants at an issue price of Rs.30/- each. Out of the said warrants, during the last Financial Year the company has allotted 20,00,000 (Twenty Lacs only) equity shares of Rs. 10 (Rupees Ten Only) each, fully paid up, with the premium of Rs. 20 (Rupees Twenty Only) each, to the Promoters category. The paid up capital, after taking the above effect, stood at Rs. 15,26,00,000/- (Rupees Fifteen Crores Twenty Six Lacs only) as on March 31, 2010.

Further, the company has forfeited an amount of Rs. 60,00,000/- being the application money towards issue of warrants as the warrants holders, in respect thereof, did not exercise the option to convert their warrants into Equity shares in the stipulated time.

### **Dividend**

The company had recently recovered from the losses and is on a growth phase and need to reinvest its profits for growth and expansion of the company, hence your Directors do not recommend any dividend for the year.

### **Reserves**

This year reserves of the company stood at Rs. 1686.18 Lacs in comparison of Rs. 1032.88 lacs of the last year.

### **Directors**

Mr. Sarabjit Singh Saini, Mr. H.R. Issarani and Mr. J.K. Bhola, Directors of the company, retire by rotation and being eligible, offer themselves for re-appointment.

### **Subsidiary Companies**

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

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

**IEC Leasing and Capital Management Ltd.** is established for the purpose of leasing of all types of goods, materials, movable and



immovable properties, machinery, land, building , industrial and manufacturing plants, consumer goods of all types .

### **Investment**

The company has not made any fresh investment during the financial year 2009-2010.

### **Registrar & Share Transfer Agents**

The work relating to shares in dematerialized and physical mode is done by Registrar & Transfer Agents of the Company: M/s Alankit Assignments Ltd., 2E/21, Anarkali House, Jhandewalan Ext., New Delhi – 110 055. Members are requested to send their correspondence regarding transfer of shares, Demat of shares and other queries to Registrar and Share Transfer Agents.

### **Auditors**

M/s Nath and Hari, Chartered Accountants, who retire at the ensuing Annual General Meeting and are eligible to be re-appointed.

### **Particulars of Employees under section 217(2A) of the Companies Act, 1956**

Particulars of employees as required under section 217(2A) of the Companies Act, 1956, read with Companies (Particular of Employees) Rules, 1975, as amended, are given in Annexure A.

### **Information under section 217(1) (e) of the Companies Act, 1956**

#### Conservation of Energy

The operations of the Company are not energy intensive. However, as per general policy of the company appropriate measures wherever possible are taken to conserve energy.

#### Technology Absorption

The present global business scenario is comprised of Competition and Innovation. Your Company endeavors to move with the time, in order to keep pace with fast changing technological innovation.

#### Foreign Exchange Earning & Outgo

During the current Financial Year, there is no foreign exchange earnings and/or outgo.

### **Directors' Responsibility Statement as Per Section 217(2AA) of the Companies Act, 1956**

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

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period.
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.
- (iv) The Directors had prepared the annual accounts on a going concern basis.



## Public Deposits

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

## Listing of Shares

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

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

The Listing fee for the year 2010-2011 has been paid on time to all the Stock Exchanges.

During the year, fresh shares issued pursuant to amalgamation and conversion of warrant have been applied for and listed on the stock exchanges.

## Corporate Governance

Report on Corporate Governance along with Certificate from Company's Auditors, and Management Discussion & Analysis are annexed and form part of the Annual Report.

## Group for inter-se transfer of shares

Pursuant to an intimation received from the Promoters, RLNG Infrastructure Private Limited is shown as a "Group" (within the meaning as defined in the Monopolies and Restrictive Trade Practices Act, 1969) for the purpose of Regulation 3 (1) (e) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

## Notes to Accounts

Notes to Accounts are self-explanatory and do not require and clarification.

## Acknowledgement

Your Directors place on record their sincere appreciation for the continued co-operation and support received from shareholders, customers, banks and financial institutions, other business associates and employees of the Company.

Date: 23rd August, 2010

Place : Delhi

For and on behalf of the Board  
Sd/-

Brig. S.V.S Chowdhry  
Chairman

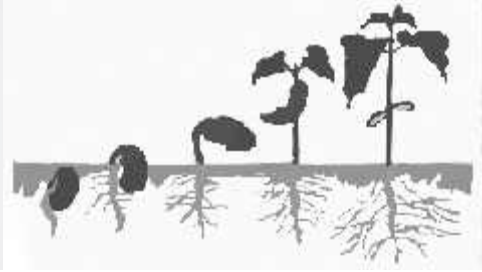


## Annexure A to Director's Report

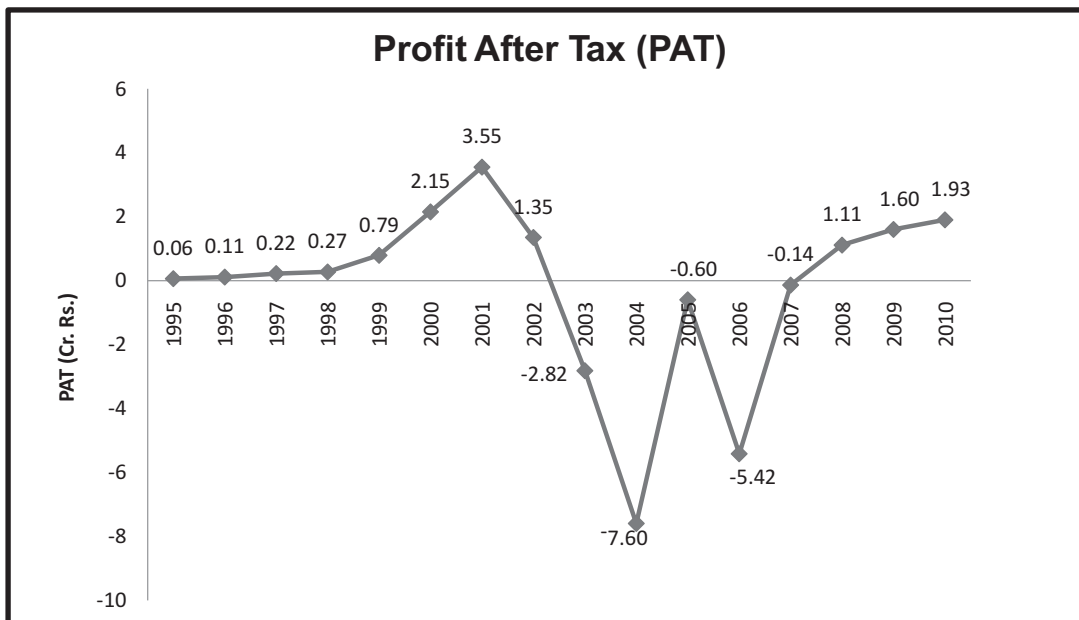
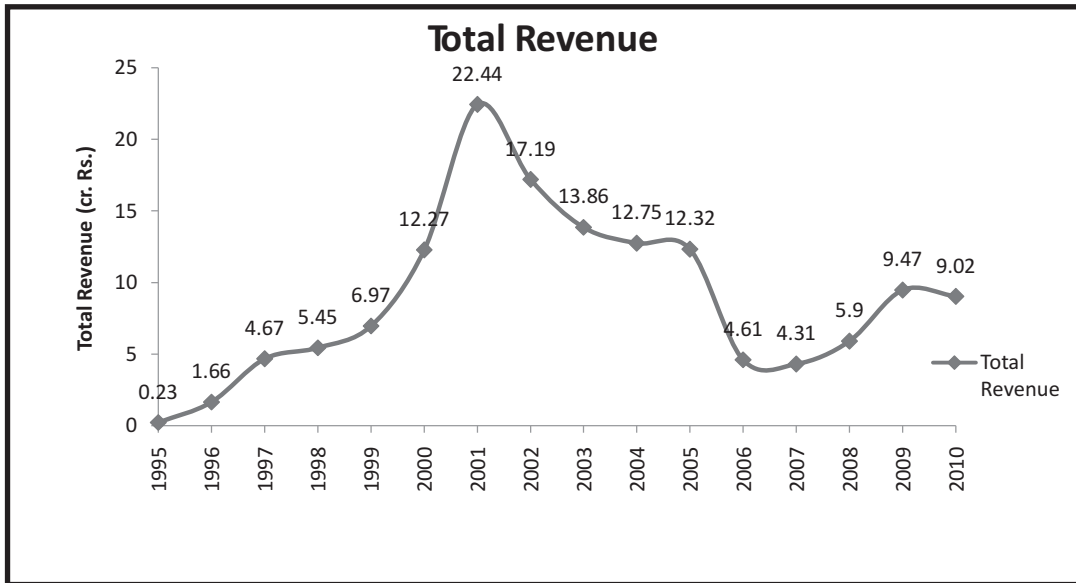
Name	Mr. Navin Gupta
Age	39 Years
Experience	19 yrs
Designation	Managing Director
Qualification	Bachelor of Arts (B.A)
Remuneration	Rs. 27,50,000/- (Rupees Twenty Seven Lac Fifty Thousands Only) P.A.
Date of appointment	June 27, 2008
No. of shares held as on March 31, 2009	20,38,525
Previous employment details	Held designation of Vice President from 30 <sup>th</sup> Oct. 2007 till Oct. 30, 2007 in IEC Education Ltd.
Relationship with any Director of the Company	Son of Mr. R.L Gupta (Non Executive Director)

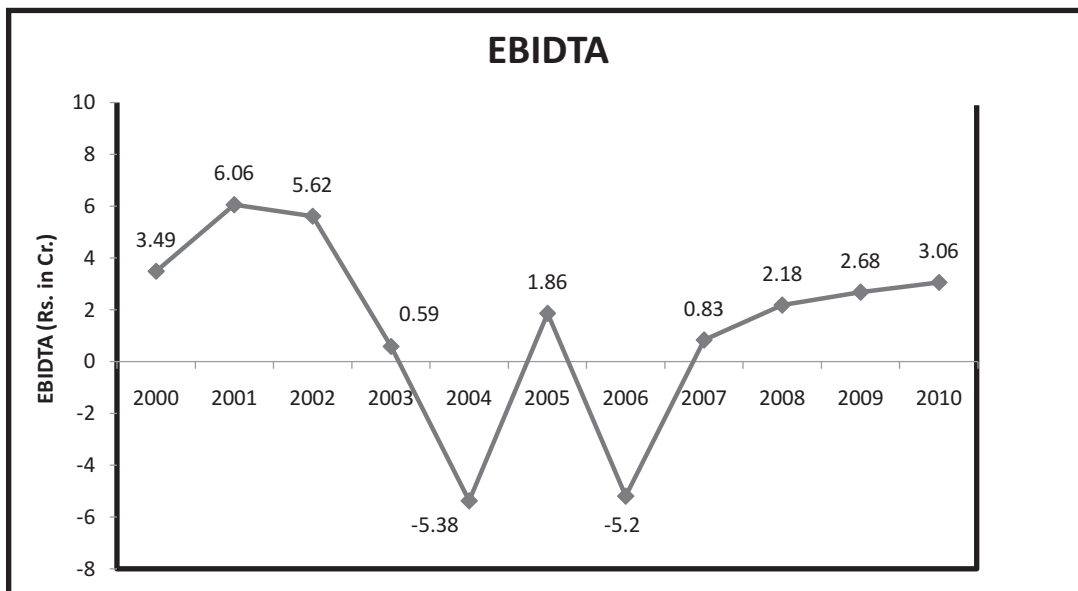
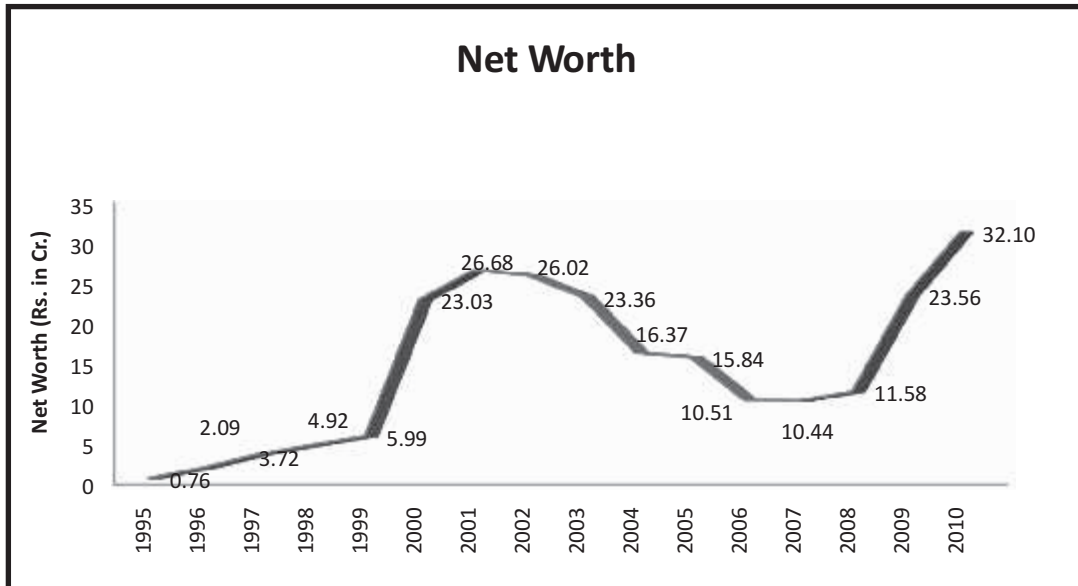
### Notes:

1. Mr. Navin Gupta was appointed as Managing Director on June 27, 2008 at a salary of Rs. 2,00,000 p.m later on, via Board and Remuneration Committee approval his remuneration was increased to Rs. 2,50,000/- p.m w.e.f. September 1, 2009 .
2. His appointment is contractual.

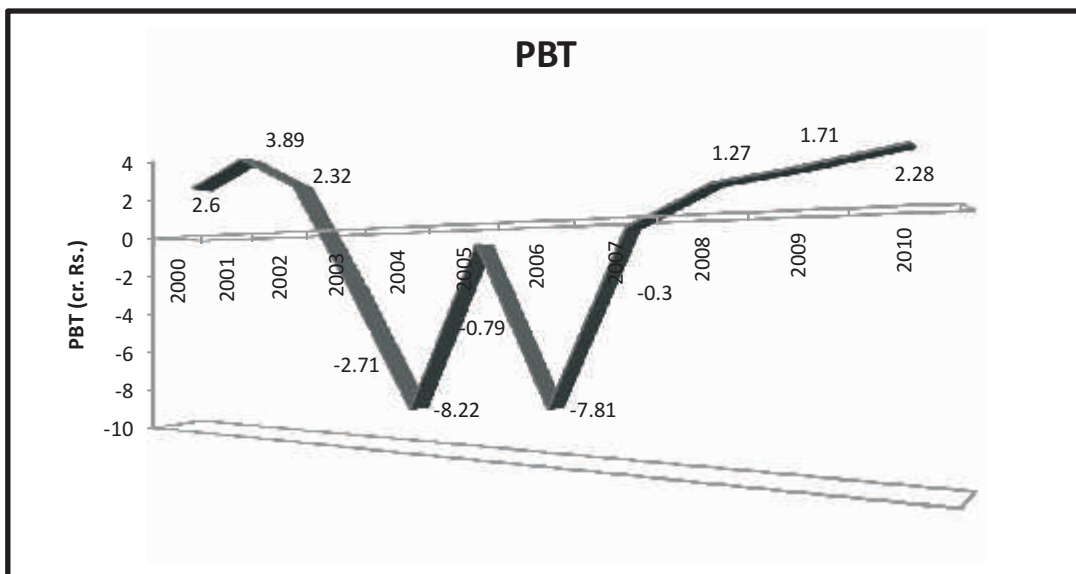
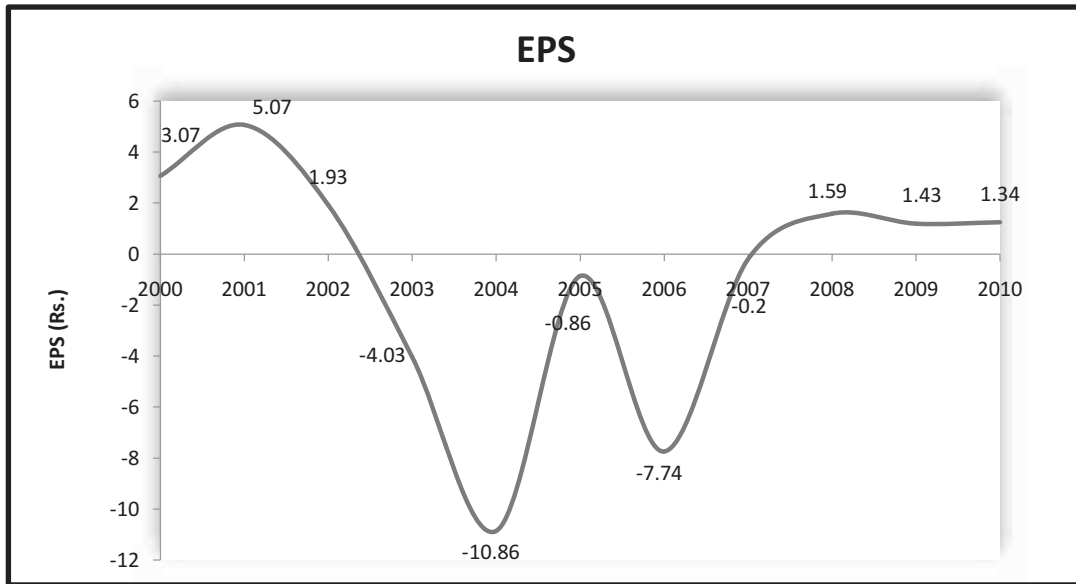
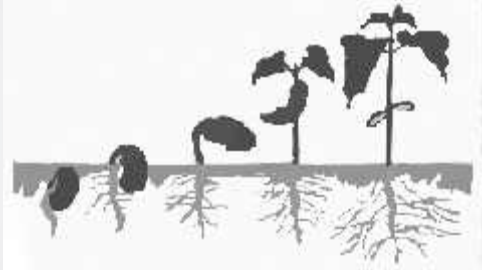


## Financial Stats











# Report on Corporate Governance



## Company's Philosophy on Corporate Governance

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

Your Company has always valued this and has shown them into their practices. Your company is committed to excellence in Corporate governance through ethical practices and recognizes that good corporate governance is a continuous exercise. Your company aims at achieving transparency, accountability, equity and ethics in all facets of its operations and in all interaction with its stakeholders.

Your company always believes that the Board being elected by the Shareholders is their representative and a bridge between them and executive management of the company. And hence act in fiduciary relationship and a corresponding duty to all its stakeholders to ensure that their rights are taken care off. The corporate governance has been further strengthened with the implementation of code of conduct applicable to directors, subsidiaries and to the employees.

## Board of Directors

During the period of review the Board of the company comprised of Eleven Directors out of which Ten Directors are Non – Executive and One is Executive. The Chairman of the Board is Non - Executive, there are Nine Independent Directors, more than the minimum requirement of four.

During the Financial Year 2009-10, Your Board of Directors have met Five times, meeting were held on April 29, 2009, July 29, 2009, August 28, 2009, October 30, 2009 and January 30, 2010.

S.No.	Name of Director	Category of Directorship	No. of Board Meeting Attended	Attendance at the Last AGM.	No. of Directorship in Other Companies	No. of Membership in Committees in other Companies
1	Brig. S.V.S Chowdhry	Non – Executive, Independent	05	Yes	02	NIL
2	Mr. Navin Gupta	Executive, Promoter	05	Yes	11	NIL
3	Mr. L.C. Goel	Non – Executive, Independent	04	No	NIL	NIL
4	Mr. R.L. Gupta	Non – Executive, Promoter	05	Yes	06	NIL
5	Mr. Kailash Nath	Non – Executive, Independent	05	Yes	NIL	NIL
6	Mr. Sarabjit Singh Saini	Non – Executive, Independent	04	Yes	03	NIL
7	Mr. A.K. Khare	Non – Executive, Independent	05	Yes	02	NIL
8	Mr. Rasik Makkar	Non – Executive, Independent	05	Yes	NIL	NIL
9	Mr. J.K. Bhola	Non – Executive, Independent	05	No	NIL	NIL
10	Mr. H.P. Singh	Non – Executive, Independent	04	No	04	NIL
11	Mr. H.R. Issarani	Non – Executive, Independent	05	No	NIL	NIL



## Shareholding of Non Executive Directors Of The Company

Name of the Director	As on March 31, 2010		As on March 31, 2009	
	No. of Shares Held	No. of Warrants Held	No. of Shares Held	No. of Warrants Held
Brig. S.V.S Chowdhry	NIL	NIL	NIL	NIL
Mr. L.C. Goel	NIL	NIL	NIL	NIL
Mr. R.L. Gupta	1470995	NIL	1384260	1038000
Mr. Kailash Nath	NIL	NIL	NIL	NIL
Mr. Sarabjit Singh Saini	2800	NIL	2800	NIL
Dr. A.K. Khare	NIL	NIL	NIL	NIL
Mr. Rasik Makkar	800	NIL	800	NIL
Mr. J.K. Bholra	NIL	NIL	NIL	NIL
Mr. H.P. Singh	NIL	NIL	NIL	NIL
Mr. H.R. Issarani	NIL	NIL	NIL	NIL

### Board Committees

At Present the Board has three committees Audit Committee, Shareholders Committee & Remuneration Committee.

### Audit Committee

The committee was constituted to meet the requirement of Clause 49 of Listing agreement and the provisions of section 292A of the Companies Act, 1956.

During the Period under review The Audit Committee met Four times, details of meetings were held on April 29, 2009, July 29, 2009, October 30, 2009 and January 30, 2010.

The Composition of Audit Committee is as below:

S.No.	Name of Director	Category	No. of Meeting Attended
1	Brig. S.V.S. Chowdhry	Non – Executive, Independent, Chairman	04
2	Mr. Kailash Nath	Non – Executive, Independent, Member	04
3	Mr. Sarabjit Singh Saini	Non – Executive, Independent, Member	04

Ms. Shweta Dixit, Company Secretary acted as Secretary to the meeting till the meeting dated October 30, 2009, and thereafter Mr. Shrey Rustagi, Company Secretary, is acting as the Secretary to the Committee.

The terms of references cover the area mentioned under the Clause 49 of Listing Agreement and Section 292A of Companies Act, 1956 which are as follow:

- Regular review of Financial Reporting, Accounting Policies, and disclosure etc.



- Qualification on Draft Audit Report.
- Review in any change in accounting policies and practices.
- Major accounting entries based on exercise of judgment by Management.
- Recommend the appointment and the removal of Statutory and Internal auditor and fixation of audit fee.
- Review the adequacy and compliance of internal control system.
- Review the adequacy and frequency of internal audit function.
- Discussion with internal auditors any significant findings and follow up thereon.
- Review the Company's financial and risk management Policies.
- Compliance with Stock Exchange and Legal requirement concerning financial statement.
- Look into reason for substantial defaults in the payment of the lenders, shareholders and any other creditors.
- Other matters as per Clause 49 of Listing Agreement.

### Remuneration Committee

The Remuneration Committee was constituted on April 30, 2002. The Committee is authorized, inter alia, to deal with matters relating to framing policies and compensation including salaries and salary adjustments, incentives, bonuses, promotion, benefits, stock options and performance targets of top executives, remuneration of Directors, strategies for attracting and retaining employees, employee development programs and other key issues referred by the Board of Directors of your Company.

S.No.	Name of Director	Category	No. of Meeting Attended
1	Brig. S.V.S. Chowdhry	Non – Executive, Independent, Chairman	01
2	Mr. Kailash Nath	Non – Executive, Independent, Member	01
3	Mr. Sarabjit Singh Saini	Non – Executive, Independent, Member	01
4.	Dr. A.K. Khare	Non – Executive, Independent, Member	01

During the period under review, the Committee comprised of the following Directors:

Ms. Shweta Dixit, Company Secretary, is acting as the Secretary to the Committee.

During the period under review, Remuneration Committee has met once on August 28th, 2009. To consider an increment of Rs. 50,000/- in the remuneration paid to Mr. Navin Gupta, Managing Director of the company as approved by the Board of Directors of the company.

The Remuneration paid to the Executive Directors including Managing Director and Sitting Fees to Non – Executive Directors for the year 2009 – 2010 is given hereunder:



S.No.	Name of the Director	Category of Directorship	Remuneration including incentives etc. (In Rupees)	Sitting Fees (In Rupees)
1	Brig. S.V.S Chowdhry	Non – Executive, Independent	NIL	4750/-
2	Mr. Navin Gupta	Executive, Promoter	27,50,000/-	NIL
3	Mr. L.C. Goel	Non – Executive, Independent	NIL	3000/-
4	Mr. R.L. Gupta	Non – Executive, Promoter	NIL	3000/-
5	Mr. Kailash Nath	Non – Executive, Independent	NIL	4750/-
6	Mr. Sarabjit Singh Saini	Non – Executive, Independent	NIL	4000/-
7	Mr. A.K. Khare	Non – Executive, Independent	NIL	3750/-
8	Mr. Rasik Makkar	Non – Executive, Independent	NIL	3750/-
9	Mr. J.K. Bholra	Non – Executive, Independent	NIL	3750/-
10	Mr. H.P. Singh	Non – Executive, Independent	NIL	3000/-
11	Mr. H.R. Issarani	Non – Executive, Independent	NIL	3750/-

#### Criteria for making the payment of Directors of the Company :

- The Remuneration Committee of the Company recommends the salary payable to the Executive Directors.
- The Remuneration paid to the Executive Directors are determined keeping in view the industry benchmarks, experience of the Directors and his contribution earlier.
- The payment to Non – Executive Directors is made in the form of sitting fee for attending the Board meeting as well as meeting of the Committee. The sitting fee for attending the meeting of Board of Directors is Rs. 750/- per meeting and that of Committee is Rs. 250/- per meeting.

#### • Shareholders & Investor’s Grievances Committee

The Share Allotment, Transfers and Investor Grievance Committee was constituted on June 16, 2001 to operate in terms of the provisions related thereto in the Listing Agreements with the Stock Exchanges and/or the provisions as prescribed or may be prescribed in this regard by the Companies Act, 1956. Shareholders & Investor’s Grievance Committee look into the following matters:

- To look into the investors grievances and redressal thereof.



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

During the period under review, the Committee comprised of the following Directors:

S.No.	Name of Director	Category
1.	Mr. Kailash Nath	Non – Executive, Independent, Chairman
2.	Brig. S.V.S. Chowdhry	Non – Executive, Independent, Member
3.	Mr. Sarabjit Singh Saini	Non – Executive, Independent, Member

#### **Name and Designation of Compliance officer**

Ms. Shweta Dixit, Company Secretary, acted as Compliance Officer till January 20, 2010, thereafter Mr. Shrey Rustagi, Company Secretary, is acting as the Compliance Officer of the company.

## **Details of Complaints received and redressed during the year 2009-10 are here below:**

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

**Total NIL Complaints were received during the financial year 2009-2010.**



## Details of Complaints received and redressed during the year 2008-09 are here below:

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

**Total NIL Complaints were received during the financial year 2008- 09**

None of the Non-Executive Directors of your Company have any pecuniary relationship or transaction with your Company. None of the Non-Executive Directors except Mr. R.L. Gupta, Mr. Sarabjit Singh Saini and Mr. Rasik Makkar held shares in your Company as on March 31, 2010.

None of the Non-Executive Directors own any shares on beneficial basis during the period under review.

### General Body Meetings

The details in respect of the last three Annual General Meetings are furnished as under:

Financial Year	Date of AGM	Venue	Time
2006-07	September 18, 2007	Shah Auditorium, 2, Raj Niwas Marg, Delhi - 110054	10.00 AM
2007-08	August 06, 2008	Sri Sathya Sai International Centre, Lodhi Road, Institutional Area, Pragati Vihar, New Delhi – 110003	10.00 AM
2008-09	September 29, 2009	Sri Sathya Sai International Centre, Lodhi Road, Institutional Area, Pragati Vihar, New Delhi – 110003	10.00 AM

All the resolutions set out in the Notices, including Special Resolutions were passed by the Shareholders.

Special Resolutions passed in previous three Annual General Meeting are as follows:-

- A) In the Annual General Meeting of the Company held on Wednesday, August 06, 2008, at Sri Sathya Sai International Centre, Lodhi Road, New Delhi at 10.00 A.M. the following special resolution was passed:

“To Increase the Authorized share capital the Company from Rs. 20,00,00,000 (Rupees twenty Crores only) to Rs. 25,00,00,000/- (Rupees Twenty Five Crores only).”

- Extra Ordinary General Meeting of the Company was held on Wednesday, January 30, 2008, at Sri Sathya Sai International Centre, Lodhi Road, New Delhi at 10.00 AM to pass the following resolutions:

- To issue. offer and allot 70,00,000/- (Seventy Lacs only) convertible warrants to the Promoters as well as Non-Promoter Group.



2. Re organization of reserve and surplus.

• Special Resolutions passed by postal ballot on 27th June 2008:

1. To Change the Main Object Clause of Memorandum.

2. To Change the Name clause of Memorandum.

### Postal Ballot

As on date company have no items proposed to be passed through Postal Ballot, however the Board of Directors have proposed the amendment in Articles of Association giving power to the company subject to law, to pass any resolutions to be passed by shareholders through Postal Ballot.

### DISCLOSURE

- a) The Company has not entered into any transactions of a material nature with the Promoters, Directors or the Management, their subsidiaries or relatives that may have potential conflict with the interest of the Company at large. Relevant disclosure has been made as per AS-18 under Schedule 20 annexed to the balance sheet.
- b) Company has neither been penalized, nor have any strictures been imposed by the Stock Exchange, SEBI or any statutory authority, during the last three years on any matter relating to the capital market.
- c) The Company has not accepted any Public Deposits under Section 58A and Section 58AA of the Companies Act 1956. Hence the provision of the said section and the rules are not applicable.
- d) The Company has duly followed the Accounting Standards in the preparation of Financial Statements.
- e) The Company is prompt in making payments of statutory dues to various statutory authorities like for TDS, PF, etc. other than in exceptional and unforeseen financial circumstances.
- f) The Court cases i.e CEP-I and CEP-II are in sub-judice before the Hon'ble Arbitrator with DOE, Govt of NCT, Delhi and income tax appeals are pending for different assessment Years with different authorities like C.I.T appeals and I.T.A.T.
- g) Mandatory requirements of Clause 49 have been duly complied with.
- a) Company has laid down procedures to inform the members of the Board about the risk assessment and minimization procedures.
- b) A certificate from Managing Director and CFO on the Financial statements of the Company was placed before the Board.
- c) During the year 20,00,000 warrants were converted into equal no. of equity shares and have been duly admitted for listing by Bombay, Delhi and Jaipur Stock exchange.
- d) Details of compliance with Non-mandatory requirements are as follows:
  - The Company has formed **Remuneration Committee** to determine on their behalf and on behalf of the shareholders specific remuneration package for Executive Directors.
  - Whistle Blower Policy- The Company completely supports and promotes intent of whistle blower policy and proposes adoption of means through which employees can have direct access to the management, to report violation of code of conduct or ethic policies of the company and in exceptional cases access to the chairman.





## Means of Communication

The unaudited quarterly results are sent to all the Stock Exchanges where the shares of your Company are listed. The results are normally published in The Financial Express and Jansatta.

The results are displayed on your Company's website [www.iecgroup.in](http://www.iecgroup.in).

Official News release and presentations made to institutional investors or to the analysts posted on company's website.

## General Share Holder Information

### Annual General Meeting

Day, Date & Time	:	Friday, September 24, 2010 at 3.30 P.M.
Venue	:	Sri Sathya Sai International Centre, Lodhi Road, New Delhi.
Financial Year	:	2009-10
Book Closure	:	17.09.2010 till 24.09.2010 (both days inclusive)
Stock Exchange Listing	:	The Stock Exchange, Mumbai (BSE) The Delhi Stock Exchange Limited, Delhi (DSE) The Jaipur Stock Exchange Limited, Jaipur (JSE)
Stock Code	:	The Stock Exchange, Mumbai 531840 Delhi Stock Exchange 8254 The Jaipur Stock Exchange Ltd. 881
Demat ISIN Numbers in NSDL & CDSL	:	INE 172B01017
Corporate Identification Number (CIN)	:	L74899DL1994PLC061053
Total shares in held in Demat mode as on March 31, 2010	:	12289404 shares
Total shares in held in Physical mode as on March 31, 2010	:	2970596s shares

The listing fees for the year 2009-10 have been paid to the Stock Exchanges.



## Market Price Data : Stock Movement

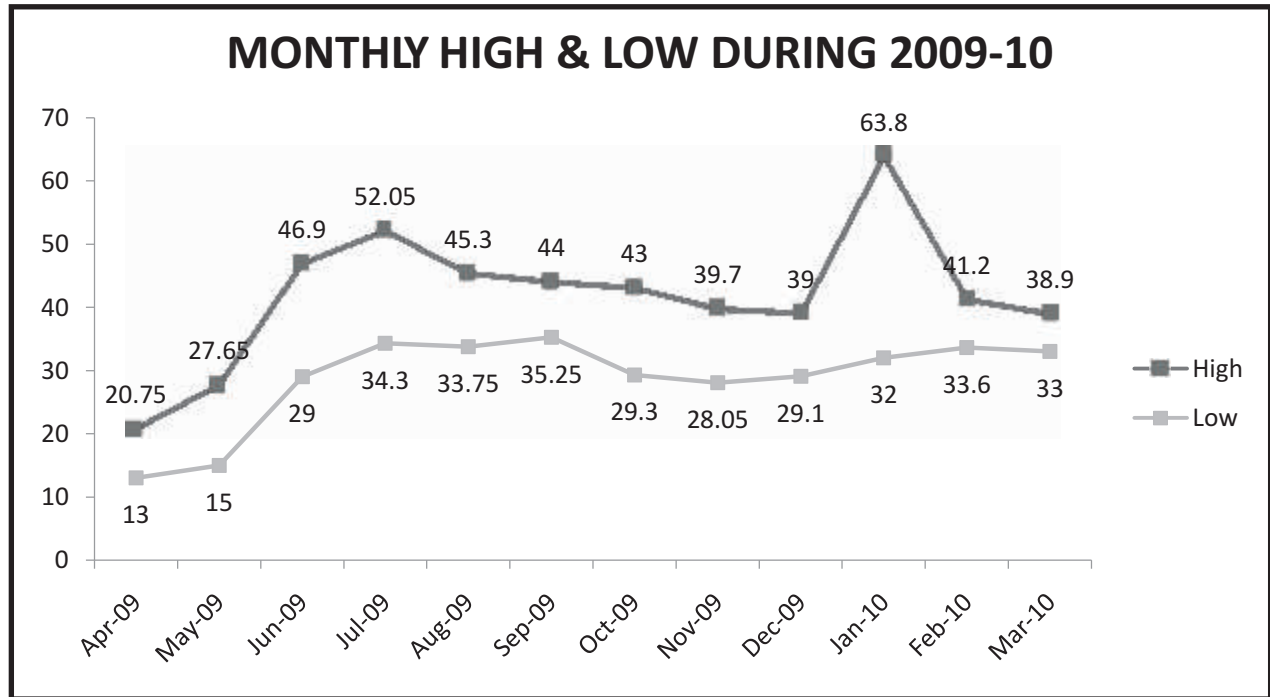
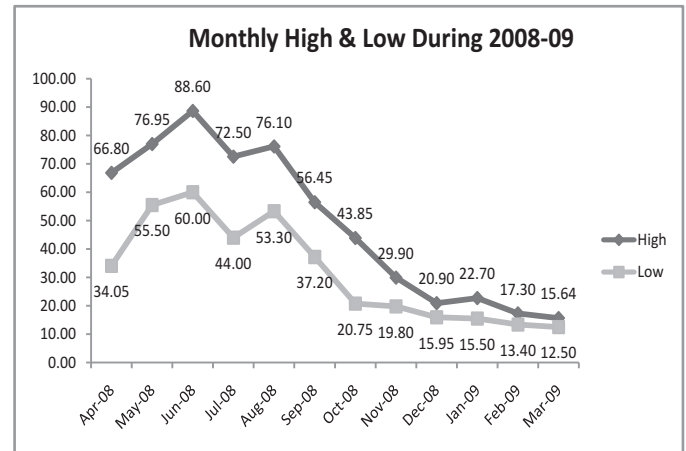
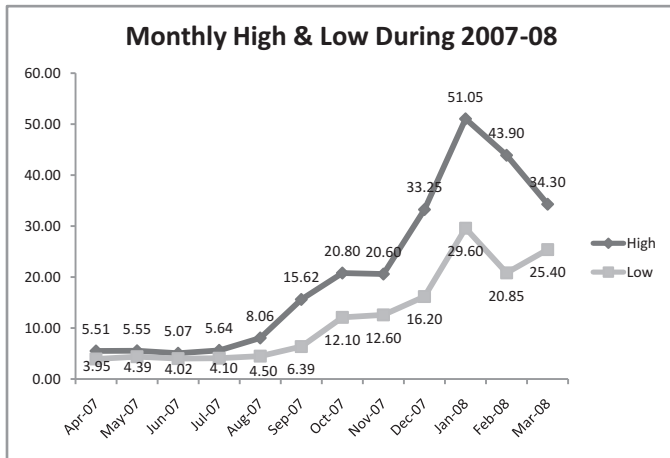


The details of the movement of share prices of IEC Education Ltd. on BSE during the Financial Year 2009-10.

Month	Open Price	High Price	Low Price	Close Price	No. of Shares	No. of Trades	Total Turnover (Rs.)	* Spread (Rs.)	
								H-L	C-O
Apr 09	13.70	20.75	13.00	15.99	71,987	457	12,50,499	7.75	2.29
May 09	15.80	27.65	15.00	27.65	72,065	341	13,26,971	12.65	11.85
Jun 09	29.00	46.90	29.00	42.00	2,94,243	1,359	1,16,77,308	17.90	13.00
Jul 09	42.00	52.05	34.30	42.70	1,85,828	1,347	80,85,214	17.75	0.70
Aug 09	44.75	45.30	33.75	41.50	1,58,524	1,260	62,75,507	11.55	-3.25
Sep 09	42.30	44.00	35.25	39.05	1,88,338	1,277	74,99,395	8.75	-3.25
Oct 09	39.05	43.00	29.30	31.10	1,35,685	891	52,84,529	13.70	-7.95
Nov 09	28.05	39.70	28.05	34.10	83,500	876	27,68,198	11.65	6.05
Dec 09	35.85	39.00	29.10	31.95	1,02,126	904	34,81,340	9.90	-3.90
Jan 10	33.20	63.80	32.00	37.85	13,05,201	8,181	6,64,57,149	31.80	4.65
Feb 10	36.20	41.20	33.60	35.00	80,973	948	30,09,662	7.60	-1.20
Mar 10	35.35	38.90	33.00	34.50	94,243	791	33,18,896	5.90	-0.85



## Monthly High & Low for past three years on BSE



	April' 09	May'09	Jun'09	Jul'09	Aug'09	Sept'09	Oct'09	Nov'09	Dec'09	Jan'10	Feb'10	Mar'10
High (Rs.)	20.75	27.65	46.90	52.05	45.30	44.00	43.00	39.70	39.00	63.80	41.20	38.90
Low (Rs.)	13.00	15.00	29.00	34.30	33.75	35.25	29.30	28.05	29.10	32.00	33.60	33.00



## Share Transfer System

The transfer of the shares in the demated form are done as per guidelines of SEBI, Stock Exchanges and Depositories Act, 1996. For transfer of shares in physical form, the Share Certificates sent for transfer by the transferee or transferor or their agent is received at the Registered Office of the Company or its Registrar M/s Alankit Assignments Ltd.

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

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

M/s Alankit Assignments Limited are acting as Registrar and Share Transfer Agent of your company. The address of our Registrar and Share Transfer agent is as follows:

M/s Alankit Assignments Ltd.,  
2E/21, Anarkali House,  
Jhandewalan Ext. New Delhi-110055.  
Phone No. (011) 51540060-64.

## Category Wise Distribution of Share Holding as on March 31, 2009 and March 31, 2010

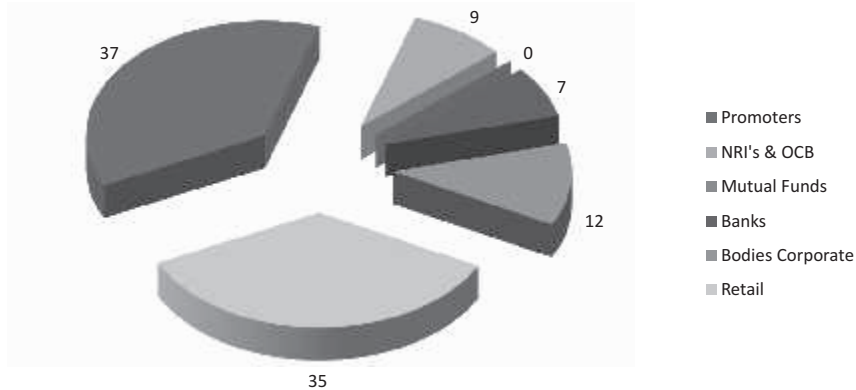
PARTICULARS	2008-09		2009-10	
	No. of Shares as on March 31, 2009	% Age As on March 31, 2009	No. of Shares as on March 31, 2010	% Age As on March 31, 2010
Promoters	7456993	56.24	8581728	56.24
NRI & OCB	607961	4.58	675033	4.42
Mutual Funds	NIL	NIL	NIL	NIL
Banks	514700	3.882	514700	3.37
Bodies Corporate	453143	3.41	432146	2.83
Retails	4227203	31.87	5056393	33.14



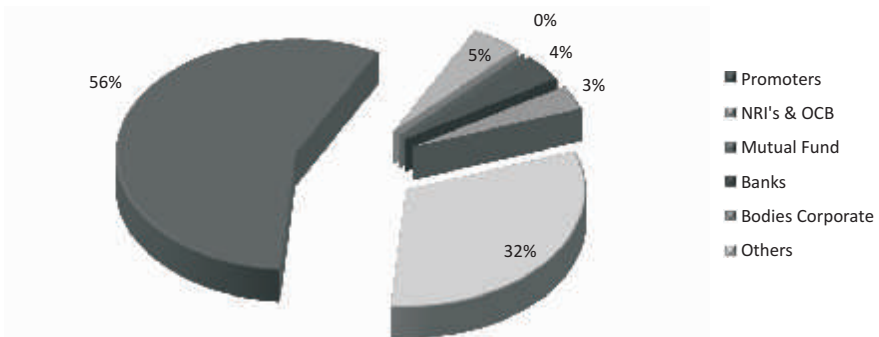
## Share Holding Distribution for past three years



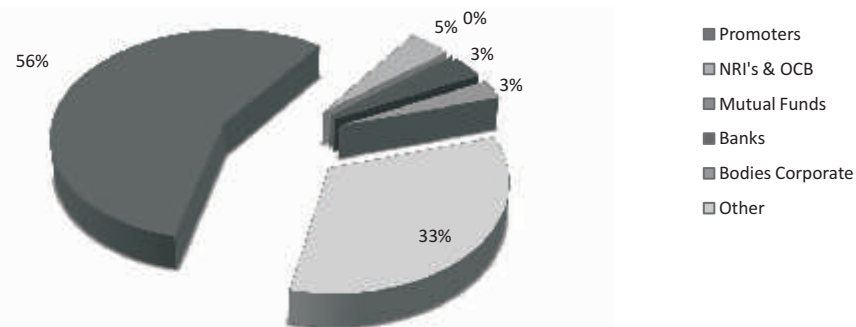
**Shareholding Distribution as on March 31, 2008**



**Shareholding Distribution as on March 31, 2009**

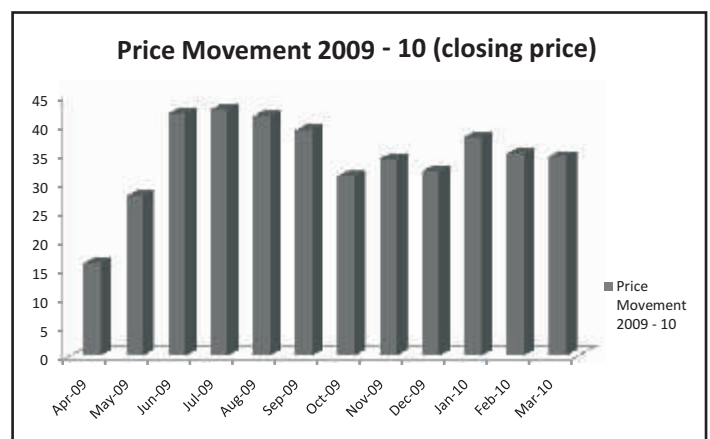
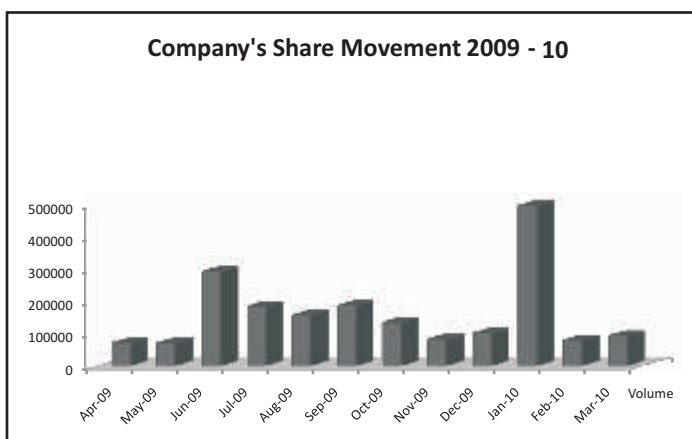
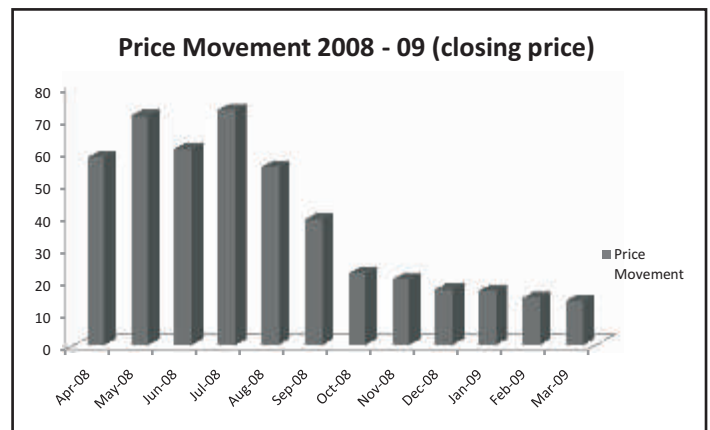
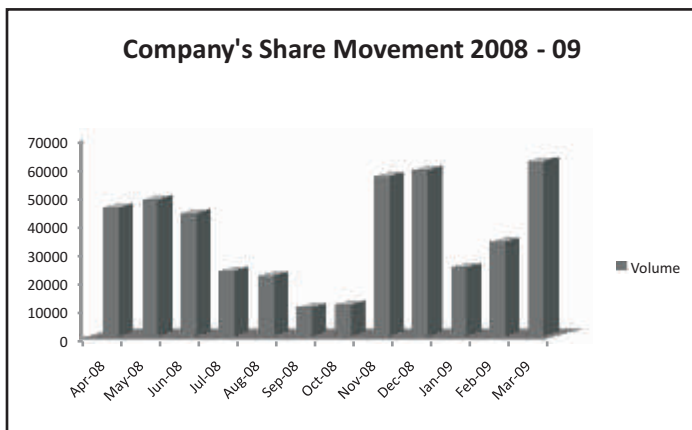
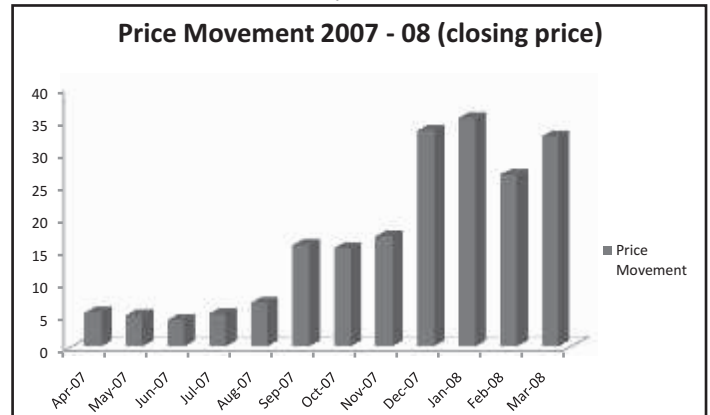
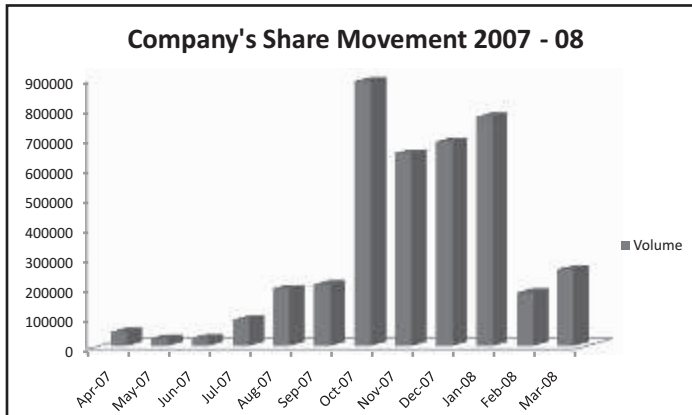


**Shareholding Distribution as on March 31, 2010**

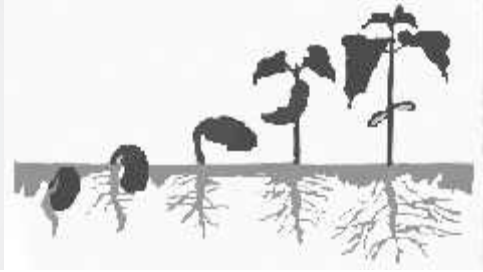




## Performance in Broad BSE Sensex for past three years



Months	April'09	May'09	Jun'09	Jul'09	Aug'09	Sept'09	Oct'09	Nov'09	Dec'09	Jan'10	Feb'10	Mar, 10
<b>Volume</b>	71987	72065	294243	185828	158524	188338	135685	83500	102126	1305201	80973	94243
<b>High</b>	20.75	27.65	46.90	52.05	45.30	44.00	43.00	39.70	39.00	63.80	41.20	38.90
<b>Low</b>	13.00	15.00	29.00	34.30	33.75	35.25	29.30	28.05	29.10	32.00	33.60	33.00



## **Code of Conduct**

### **Code of Conduct for Board Members & Senior Management of the Company**

#### **PREAMBLE**

All Directors and Senior Management must act within the bounds of authority conferred upon them and with a duty to make and enact informed decisions and policies in the best interest of the Company and its shareholders / stakeholders.

With a view to maintain the high standards that the company requires, the following rules / code of conduct shall be observed in all the business activities of the company.

#### **DEFINATION**

“Board Member” shall mean a Director of the Company. “The Company” shall mean IEC Education Ltd.

“Senior Management” shall mean personnel of the Company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management one level below the Executive Directors, including all functional heads.

#### **HONESTY & INTEGRITY**

All Directors shall conduct their activities, on behalf of the company and on their personal behalf, with honesty, integrity, and fairness. All Directors will act in good faith, responsibility, with due care, competence and diligence, without allowing their independent judgement to be subordinated. Directors will act in the best interests of the company and fulfill their fiduciary obligations.

#### **CONFLICT OF INTEREST**

##### **General**

Generally, a conflict exists when the personal interests of a Board Member or Senior Management of the Company may influence the exercise of his or her independent judgement in the performance of duty of the company. The Board Member & Senior Management of the Company shall not engage in any business, relationship or activity, which may be in conflict of interest of the Company or the group. The Board Member & Senior Management of the Company (or members of their immediate family) also should not influence any recommendation or decision on behalf of the Company that would result in an undisclosed personal financial benefit to such person or to members of his or her immediate family.

##### **Outside Directorships**

Unless specifically permitted by the Chairman / Managing Director / CEO, the Board Member & Senior Management of the Company shall not serve as Director of any other Company or as Partner of a Firm that is engaged in a business competing with the Company or with which the Company has business relations.

##### **Related Parties Transactions**

The Board Member of the Company, before conducting Company’s business with a relative (as defined in the Companies Act, 1956) and/or with a business in which a relative is associated significantly would disclose their nature of interest before the Board of Directors of the Company and take their prior approval.



### **Corporate Opportunity**

The Board Member & Senior Management of the Company would be prohibited from taking for themselves business opportunities that arise through the use of corporate property, information or position for personal gain.

### **Gifts and Other Benefits**

The Board Member & Senior Management of the Company shall not accept any payment, gift, or other benefit from any organisation or person that is intended, directly or indirectly, to influence any business decision of the Company or commitment of any fraud.

### **Confidential Information**

Confidential information be it technical, operational or commercial should not be disclosed to any one. Such information is confidential and for the exclusive use of the Company.

### **Compliance with Laws, Rules and Regulations**

Any transaction undertaken in the name of the Company that would violate the laws of the land would be prohibited.

### **Waivers and Amendments**

Any waiver or amendment of the provisions in this Code would be approved by the Company's Board of Directors or a duly authorised Board Committee.

### **Compliance with the Code**

The Board Member & Senior Management of the Company shall affirm compliance with the Code of Conduct on an annual basis and shall submit a declaration to this effect.

Declaration for Compliance of Code of Conduct.

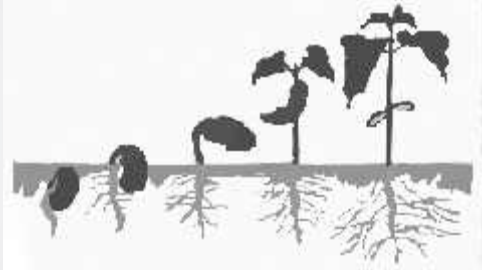
The Board and senior management have affirmed the compliance with the code of conduct for the period ended March 31, 2010 and noted at the meeting of the Board of Directors on April 27, 2010.

For and on behalf of Board of Directors

Sd/-

Navin Gupta  
Managing Director





## Auditors Certificate On Corporate Governance



To

**The Member of IEC Education Ltd**

We have examined the compliance of conditions of Corporate Governance by IEC Education Ltd. ("the Company") for the year ended on 31st March, 2010, as stipulated in Clause 49 of the Listing Agreements of the Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us and the representations made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreements.

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.

Place : Delhi

For NATH & HARI  
Chartered Accountants

Date:- 23rd August, 2010

Kailash Hari  
(Partner)  
M.No:- 82285



# Management Discussion and Analysis Report

## Disclaimer:

Readers are cautioned that this Management Discussion and Analysis contains forward-looking statements that involve risks and uncertainties. When used in this discussion, the words “anticipate”, “believe”, “estimate”, “intend”, “will”, and “expected” and other similar expressions as they relate to the Company or its business are intended to identify such forward looking statements, whether as a result of new information, future events, or otherwise. Actual results, performances or achievements and risks and opportunities could differ materially from those expressed or implied in such forward-looking statements. The important factors that would make a difference to the Company's operations include economic conditions affecting demand supply and price conditions in the domestic and overseas markets, raw material prices, changes in the Governmental regulations, labour negotiations, tax laws and other statutes, economic development within India and the countries within which the Company conducts business and incidental factors. The Company undertakes no obligation to publicly amend, modify or revise any forward-looking statements on the basis, of any subsequent developments, information or events. The following discussion and analysis should be read in conjunction with the Company's financial statements included herein and the notes thereto. The information pertaining to industry structure , statistical data and other such information is sourced from CLSA Report, IDFC-SSKI , Edge-2009 report by Ernst & Young, Indian Economic Survey, Reports of ASSOCHAM and other government websites and sources.

## Indian Education Industry –Structure and Development

Over 50% of India's Education sector is private (in the US, the private sector's share is 32% and in China it is 25%). It is projected to grow to US\$ 70 Bn by 2013 and US\$ 115 Bn by 2018 (from a demand growth perspective, if supply keeps pace).

The education sector is projected to grow at 11% (from demand perspective) over the next 10 years, to reach US\$ 70 billion by 2013 and US\$ 115 billion by 2018. India's current spend on education is at 5% of average household income, showing a CAGR of 8.6% versus consumption growth of 3.2% over 1995-2005. Going forward, it is expected consuming class with annual income >Rs90,000, to burgeon from 28% of the total population in 2002 to 48% in 2010. Increasing affluence has been fostering higher aspirations for India's populace, and the ability as also willingness to pay are guiding its education sector through a phase of price discovery. The \$13bn spent annually by Indians on higher education in the overseas markets asserts the pay power of Indians. And this will disturb the demand-supply gap in Education Sector. The supply of public education is however inefficient and leaves a shortfall which is being filled by private education institutions.

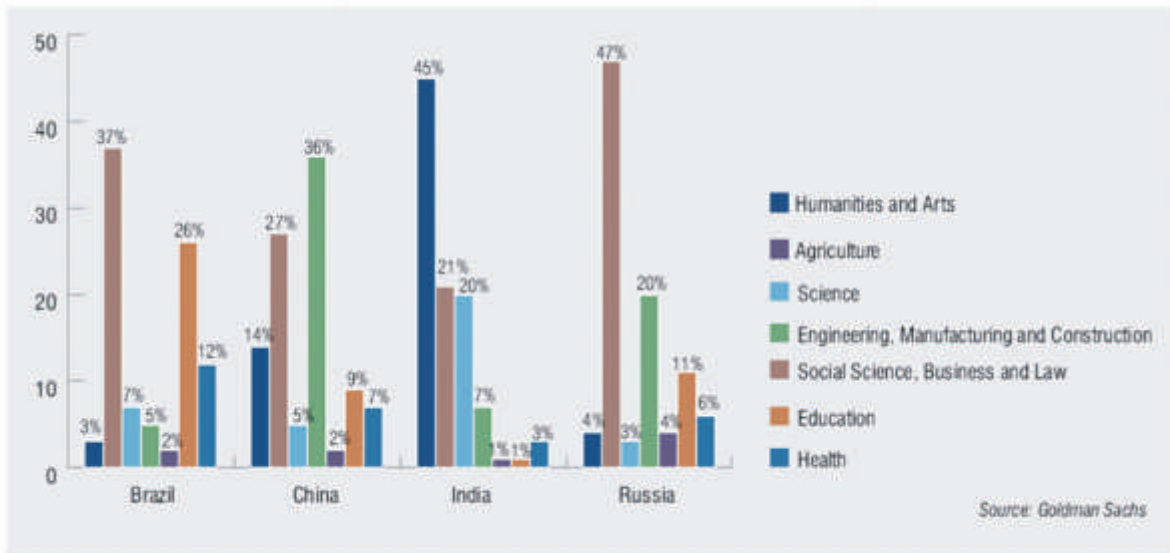
## Blogging in private participation what is the issue? What needs to change?

- Regulations require all educational institutions (school or college) to be run as a trust or a society. That is no profit making activity.
- No dividends can be distributed and the 'reasonable surplus' needs to be ploughed back into the system. That is no distribution of surplus.
- Change in regulatory framework, regulatory bodies need to act as only 'quality controllers' rather than looking into day to day operations.
- Restrictions on Foreign Investments in higher education.

One other issue in Indian Education industry is the mismatch Faculty-wise Enrollment in Higher Education and Industry needs. About 50% of graduates are studying Humanities & Arts, while the industry needs much higher numbers of Engineering, Medical, Finance and Service professionals. Chart below explains the scenario broadly.



## Graduation Rates by Field



There seems clearly a mismatch in the faculty wise enrollment in India and industry requirements, government needs to take urgent steps to curtail this gap

## Vocational Training

Vocational training has been broadly defined as training that prepares individuals for specific vocations or jobs. Vocational training has assumed growing importance in India's growth story. The economy's 8%+ growth for three consecutive years can largely be attributed to increasing contribution from its services sector. Further, vocational training has moved beyond IT/ITES into verticals like financials, retail, media, aviation, hospitality, etc. In any services business, human capital is the key asset and upgradation of workers' skills at all levels becomes an Imperative to sustain growth. This market, being outside the purview of Government regulation, is attractive for entrepreneurial participation. Further, the Government intends to open number of vocational schools in India in the upcoming years via the Public Private Partnership (PPP) model, where the private sector may again play a major role.

## Private Sector Participation

Indian Government lacks infrastructure, funds and expertise in education and it has become evident in the last decade or so that government alone cannot bear the cost of the education sector and this sector particularly lacks proper investments, which is a constraint in coping with growing market demand and global competition. To bridge the gap, the private sector has stepped in. Education as an investment sector is often viewed as safe by the investors. With the attractive rates of return and the growth potential, it is one of the hot favorite sectors for the private players in India. Currently, India faces a backlog of approximately 2,00,000 schools to accommodate students. Education presents a large opportunity to the private sector in India, who now looks education also as a profit venture rather just as Corporate Social Responsibility (CSR) as that will create trained manpower for their other businesses.

There is clearly an opportunity for private players to enter the education space. There is a large demand supply gap, which is further exaggerated due to the low quality of education and capacity constraints at the premium colleges / institutions. This opportunity exists in all three segments – schooling, higher education and vocational training, and in almost all parts of India.

Corporate participation is clearly required in building the education landscape of India, as such firms not only bring in project management experience and financial capability, but also the mindset to achieve the right quality.

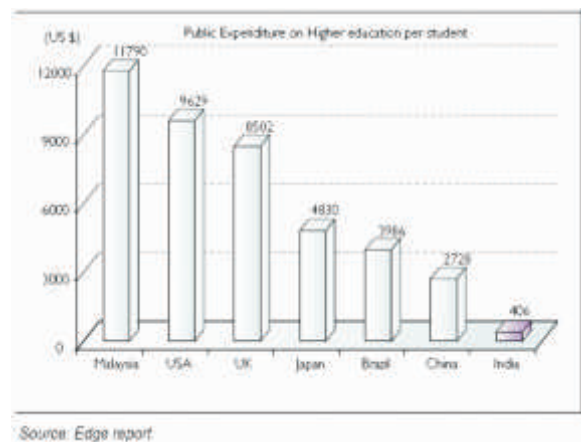


India has witnessed that allowing private sector to participate in areas previously the sole domain of the Government has done wonders to it. Many sectors such as banking, petroleum, infrastructure development and telecommunications, have witnessed impetus post the entry of the private sector. The education sector faces a similar inflection point today. A large population, low literacy rates, and the demand for more educational facilities fuel a requirement that will continue to escalate. The Government alone will not be able to fulfill these needs, particularly in terms of infrastructure. There has also been a constant demand for a higher quality of education, but Government institutions, with notable exception of the IIMs, IITs and National Law Schools, have not been able to deliver the quality expected.

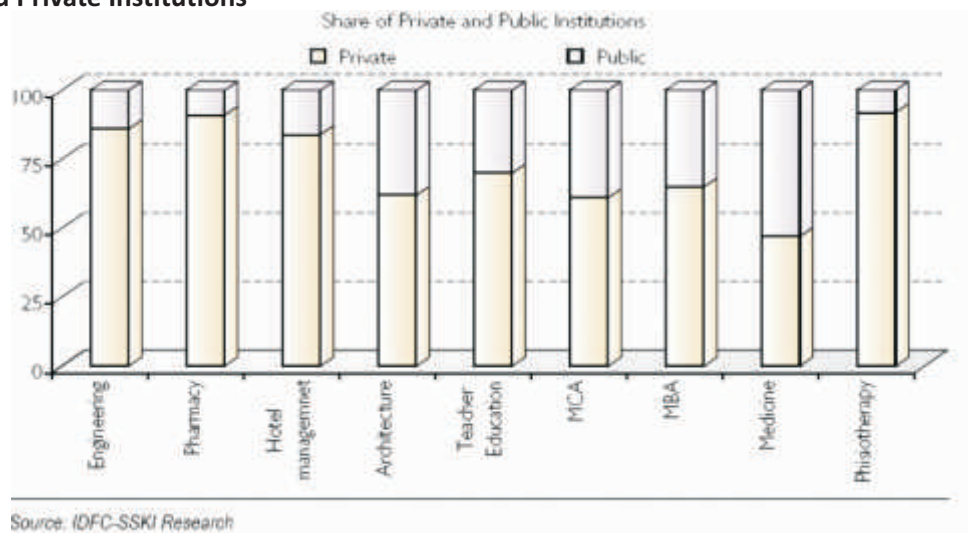
However, an ‘**operate and manage**’ model is now legally accepted and enables a ‘for profit’ model in education. In such ventures, financial returns are attractive, with EBITDA levels crossing 30% and project IRRs ranging from 20% to 30% levels.

**Public Private Partnerships (PPPs)** are now a success story and Government in different frames recognizing it and looks keen to persist with it. Despite massive expenditure by the Central and State Governments on education, the literacy rate in some parts of India remains very low and it is expected PPPs model may certainly help fill this gap. The Government has experimented, with largely positive results, with such partnerships in many other industries such as oil and gas exploration, roads, bridges, ports, airports and the railways and is now implementing it in Education sector.

### Public Expenditure on Higher Education – Comparative Analysis



### Share of Public and Private Institutions





## Private Equity in Education

Around 350 private equity and venture capital (PE/VC) firms in India are looking at the education sector. Sitting over \$10 billion, they plan to invest \$500 million (Rs 2,300 crore) in the sector. India's education and training market is over \$40-billion opportunity for investors with schools and colleges capable of attracting around \$28 billion, as per PE players. Alone in the year 2009 PE investments in education saw a three-fold rise. PE investments in the sector have reached mark of \$108 million in 2009 compared to \$35 million in 2008, the same rise is expected in 2010 end. No wonder investments in the sector are likely to double in 2010 compared to 2009. The sector figures among the top three investment destinations among PE players.

### **FDI**

Subsequent to Press Note 2 (2000 Series), FDI up to 100% has been allowed under the automatic route in the Education Sector. Despite this liberalized scheme, investment into the education sector has been restricted due to the prevailing regulations which require the entity setting up the school or college or a deemed university to be of a non-profit character. The bearing of a not-for-profit character inevitably requires the entity to be either a registered society or a trust (in case of schools, colleges and deemed universities) or a Section 25 Company (mostly in case of schools).. Any fundings received or to be received by a Trust/ Society fall within the ambit of Foreign Contributions Regulation Act, 1976 and need a prior permission.

Though 100% FDI allowed through automatic route, no rules/ regulations are in place for foreign universities to be recognized under UGC (University Grants Commission), principal agency to approve university status in India.

### **Recent Development**

The Indian Parliament has adopted 'The Right of Children to Free and Compulsory Education Bill, on 4th August 2009,' which envisages free and compulsory education to children in the 6-14 years age group. As per this bill, every school will have to earmark at least 25% seats in class-1 for free and compulsory elementary education. The bill also seeks to ban private tuition by teachers and ensure that no child is subjected to physical punishment or mental harassment.

The salient features of the Free Education Act are as under:

1. It provides for the duties and responsibilities of the Government, the local authorities, the schools and the parents towards ensuring free and compulsory elementary education to all children.
2. The Central/State Government, as well as the local authorities, is obligated to provide free and compulsory elementary education to every child.
3. The Central Government and the State Government shall have concurrent responsibility for providing funds for carrying out the provisions and objects of the Free Education Act.
4. Schools are required to provide free and compulsory education to a particular strength of students depending on whether they are aided, unaided or Government controlled.
5. The expenditure incurred by an unaided school may however be reimbursed by the Government to the extent of per-child-expenditure incurred or the actual amount charged from the child, whichever is less.
6. Schools are prohibited from subjecting any child or its parents to any method of selection for admission of a child, in preference over another, other than a random method.
7. The collection of any capitation fee is prohibited and a contravention of this shall be subject to the penalties prescribed there under.



8. Most importantly, a certificate of recognition to be obtained from the concerned authority for the establishment or functioning of a school. This requirement shall, however, not be applicable to a school established, owned or controlled by either the Government or the local authority.

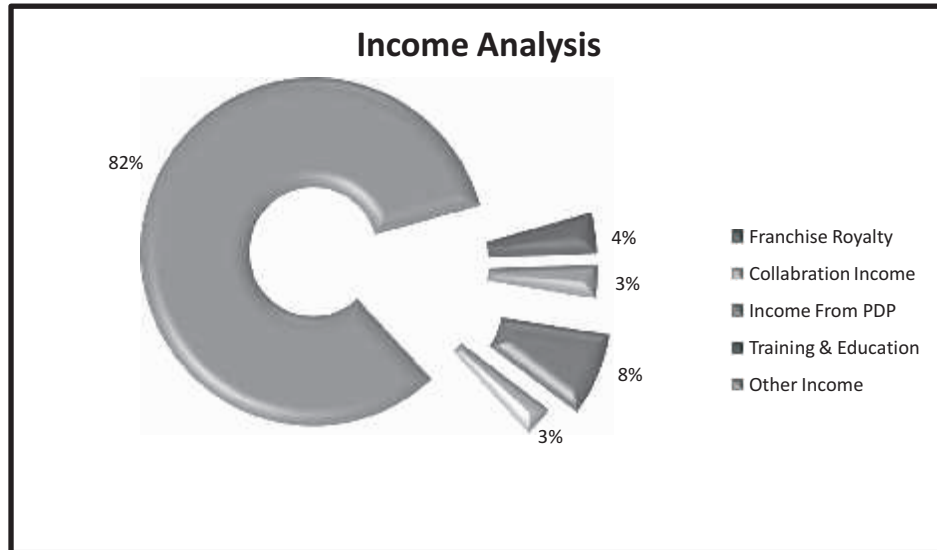
**The Yash Pal Committee**, set up by the Government with a view to suggest measures for "renovation and rejuvenation" of higher education in India, has made some strong suggestions, for example, it has viewed UGC and the AICTE as burdensome regulators that must be done away with and has suggested to replace them with single body called the National Commission for Higher Education and Research. The suggestion comes on the same lines as that of the National Knowledge Commission which had also in its report suggested the same.

**SWOT Analysis - IEC Education Ltd.**

<b>Strengths</b>	<b>Weakness</b>
<ul style="list-style-type: none"> <li>• Decade experience in Education sector</li> <li>• Establish and Proven Expertise in the field of Education</li> <li>• Latest facilities and infrastructure</li> <li>• Strong tie-ups</li> </ul>	<ul style="list-style-type: none"> <li>• Restricted access in Formal Education sector due to Regulatory measures</li> <li>• Lack of Pan India presence</li> <li>• Limited infrastructure</li> </ul>
<b>Opportunities</b>	<b>Threats</b>
<ul style="list-style-type: none"> <li>• Increasing Private Participation in Education</li> <li>• Opening up of new avenues like BOTs and PPPs</li> <li>• Internationalization of activities, especially regionally, including recruitment of international students</li> <li>• Strategic alliances with national institutions</li> <li>• Use of distance education, flexible learning and adoption of new information and communications technologies to increase access</li> </ul>	<ul style="list-style-type: none"> <li>• Inappropriate funding limiting scope of future growth and productivity</li> <li>• Excessive competition</li> <li>• Shortage of competent faculties</li> <li>• Entrance of Foreign Universities in India</li> </ul>



## Review of Operations – Segment Wise Performance



### Categorisation of Business

The company principally operates in three streams viz.

1. Conducting PDP programs
2. Franchise Business,
3. ICT Business in government schools

With the change in the market trend the management has shifted their focus more on the PDP programs activity with high level of profit margins. As discussed earlier the management has change its perception and has shown their belief in doing business which is more profitable rather than running in volumes.

### Personality Development Programs

Over the period of time Personality is realized as the important attribute to ones persona and is what makes a person unique. Personality development is the development of the organized pattern of behaviors and attitudes that makes a person distinctive. Personality development is gaining more and more importance because it enables people to create a good impression about themselves on others; it helps them to build and develop relationships, helps in their career growth.

IEC Education with the passage of time has realized the potential in the PDP business and with sustainable efforts is trying to emerge as a vital player in this area. Personality development process includes boosting one's confidence, improving communication and language speaking abilities, widening ones scope of knowledge, developing certain hobbies or skills, learning fine etiquettes and manners, adding style and grace to the way one looks, talks and walks and overall imbibing oneself with positivity and liveliness.

The revenue from this segment has shown significant increase of around five times. The company conducts the PDP program for the institutes like IMS Engineering College Ghaziabad, College of Engineering, Roorkee, Shri Ram Swarup Memorial College of Engineering and Management, INJ Business School, Ideal Institute of Tech. Society, Babu Mohan Lal Arya Samarak Engineering College, Hindustan Institute of Management and Computer, Hindustan College of Science and Technology and Anand Engineering College and other colleges to name. In FY 2010-11 also management expects a considerable growth.



### IT Franchise Business

Company is a long end Company has During the year Franchise Business of the company has generated a revenue of Rs. 69.90 lacs as compared to Rs.62.68 lacs made in the last Financial Year i.e. has shown an increase of more than 11 % which is significant keeping in view the market conditions.

### ICT Education

The Indian Government over the time has realized the importance of IT in developing careers of the youth and had since taken significant steps to develop it. The state government realizing the limitation of infrastructure has outsourced this job of teaching IT in Government schools to the Private sector companies having experience and infrastructure in providing IT Education. Upto the last decade this section of Education was very attractive to business houses with Government taking the proficient steps to develop it, but over a period of time the Government has failed to maintain its interest in the sector, further the Government is concentrating more on costing rather than quality, which in turn had made it a low profit margin segment and hence unattractive for business.

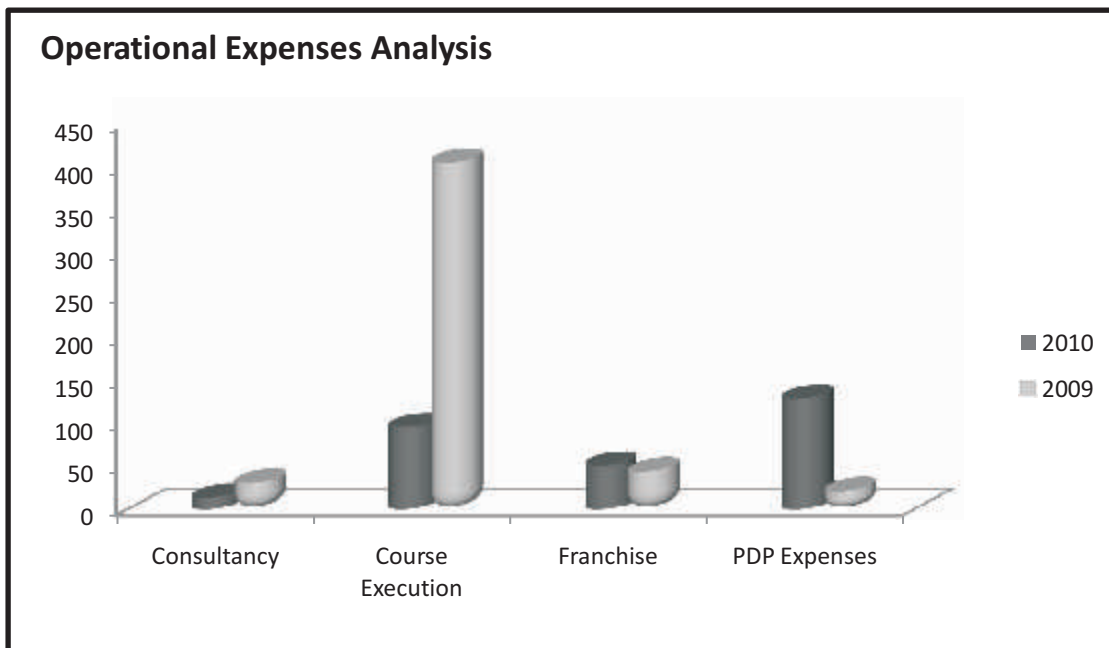
One of the ICT project of the company in Rajasthan has been successfully completed and is not renewed. Management of our company is focusing more on the business which have substantial revenue and had made policy to pick up only those projects which may generate sizeable revenues.

### Other Income

Apart from the Income from the segments discussed above your company has generated Rs. 27 lac from sources like Interest and other miscellaneous sources.

### Expense Analysis

Preceding FY your company has shown efficient management of expenses with overall expenditure has curb to Rs. 674 lac as compared to Rs. 776 lac last fiscal showing a significant fall of approx. 13 %. The Training and Education expenses have been cut down significantly by approx. 42 % from Rs. 501 lac to Rs. 289 lac. One of the major reason for this downturn is shifting of revenues from low profit margin segment ICT to higher segment PDP.







## Business Review

Business of the Company has shown stable growth, and the outlook remains positive. Despite competition from other players in the market, the Company was able to expand and generate better revenues from operations. This has resulted in approximately 32.55% increase in Profit before taxes and a 20.49% increase in Profit after taxes. The EPS of the Company is Rs. 1.34/- per share.

## Share Capital

During the year under review, the paid-up share capital of the Company have increased by Rs. 2,00,00,000/- from Rs. 13,26,00,000/- to Rs. 15,26,00,000/-. This increase was on count of conversion of 2000000 warrants into equity shares.

## Reserves & Surplus

The Reserves & Surplus of the Company has increased by Rs. 653 lac Rs. 1033 lac to Rs. 1686 lac showing a remarkable increase of 63.21%, this increase is due to premium paid during conversion of warrants and significant increase in Profits after Tax.

## Fixed Assets

The fixed assets of the company had declined by Rs. 5669735/- and presently stood at Rs. 56903839/-

## Future Outlook

There is no denying fact that the Education industry in India has set for a rapid growth, and the government is also constantly fine-tuning its spending and regulatory mechanism. The management of the Company is quite positive about Company's growing position in the education domain and shall keep on its efforts of organic growth and inorganic initiatives.

The company has shown a noteworthy growth in PDP programs, the revenues from this segment has almost taken a five times fold and management is obliged to do same in future. Company currently has collaboration with VEF and VET. VEF is in area of Formal education and runs Engineering and Management College, VEF is upcoming with University of its own at Baddi, Himachal Pradesh. Government of Himachal Pradesh has already grant Letter of Intent, all the procedural formalities are expected to be complete soon and it is expected for University to start its first session next year. Part of the building has also been completed. VEF has also been awarded a contract from Punjab Government under BOT (Built Operate Transfer) model to develop and run a Polytechnic college at Nalowal, Distt. Hoshiarpur, Punjab the college is expected to start next year. IEC has already a tie up with VEF and expects further collaboration with him with his increasing presence. IEC also has collaboration with VET, a registered public trust who has purchased Educational land in Alwar, Rajasthan and is in process to establish a college there. IEC provides management and fund support to both of these organizations and in turn accepts a share of their revenue in lieu of services offered, both of these organizations are on expansion and IEC expects to offer them more services in future.

## Human Resources

Human Resources are highly valued asset at IEC Education Ltd. The Company seeks to attract, retain and nurture technical and managerial talent across its operations and continues to create, sustain the environment that brings out the best in our people with emphasis on learning, training and development and career progression. With its proposed expansion activities it will become imperative for the Company to include fresh talent in commensurate with its growth. Performance is recognized and rewarded through upgradation and job enrichment, performance incentives. There are more than 100 employees in the Company and on account of large scale expansion the employee strength would increase to 150 by the end of current financial year.



## **Internal Control System and their Adequacy**

Your Company has a proper and adequate system of internal controls commensurate with its size and nature of operations to provide reasonable assurance that all assets are safeguarded, transactions are authorized, recorded and reported properly and applicable statutes, codes of conduct and corporate policies are duly complied with. The Internal Audit Department reviews the adequacy and efficacy of the key internal controls. The scope of the audit activity is guided by the annual audit plan, which is approved by the Audit Committee of the Board.

Your Company's Audit Committee comprises of three Non-Executive Directors: Brig S.V.S. Chowdhry, Chairman, Mr. Kailash Nath and Mr. Sarabjit Singh Saini, being the Members. One of the objectives of the Audit Committee is to review the reports submitted by the Internal Audit Department and to monitor follow-up and corrective action by Management.

The Company Secretary is the designated Compliance Officer to ensure compliance with SEBI regulations and with our Listing Agreement with Bombay Stock Exchange Limited, Delhi Stock Exchange and Jaipur Stock Exchange. Company has a Corporate Compliance Procedure to ensure that all laws, rules and regulations applicable to our industry are complied with. A Corporate Compliance Certificate is placed at Board Meetings periodically.

Your Company, as part of its Risk Management strategy, reviews, on a continuous basis, its strategies, processes, procedures and guidelines to effectively identify and mitigate risks. Further, the Management has developed a procedure to ensure adequate disclosures of key risks and mitigation initiatives to the Audit Committee of the Board.



## Auditor's Report



To,  
The Members of  
IEC Education Limited

- 1) We have audited the attached Balance Sheet of IEC Education Ltd ("the Company") as at 31st March, 2010, the Profit & Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies (Auditor's Report) Order, 2003, (CARO) issued by the Central Government in terms of sub section (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure, a statement on the matters specified in paragraph 4 and 5 of the said order.
- 4) Further to our comments in the Annexure referred to in paragraph 3 above, we report that :
  - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books.
  - (c) The Balance Sheet, Profit & Loss Account and Cash flow Statement dealt with by this report are in agreement with the books of account.
  - (d) In our opinion, the Balance Sheet, Profit & Loss Accounts and Cash Flow statement dealt with by this report are in compliance with the Accounting Standards referred to in sub-section (3c) of Section 211 of the Companies Act, 1956.
  - (e) On the basis of written representations received from the Directors of the Company as on 31st March, 2010 and taken on record by the Board of Directors, we report that the none of the Directors is disqualified as on 31st March, 2010 from being appointed as a director of the Company in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - (f) In Our opinion and to the best of our information and according to the explanations given to us, the said financial statements subject to:



- (i) Note No: 4 of Schedule 20 regarding non registration of title deeds in respect of one premise;
- (ii) Note No: 5 of Schedule 20 regarding adjustments of entries arising out of confirmation / reconciliation of the accounts of parties and banks;
- (iii) Note No:9 of Schedule 20 regarding non provision of debts and advances considered doubtful amounting to Rs.1,28,84,944.94 and Rs.51,03,404.45 respectively ,

and read together with the notes and the significant accounting policies thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- I. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010.
- II. In the case of the Profit & Loss Account, of the Profit of the Company for the year ended on that date ; and
- III. In the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Place :- Delhi

Date :- 23rd August, 2010

**For NATH & HARI  
Chartered Accountants**

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



## Annexure to the Auditor's Report



(Referred to in paragraph 3 of our report of even date on the accounts of IEC Education Ltd for the year ended 31st March, 2010)

- I. In respect of its fixed assets:
  - a) The Company has maintained fixed assets register. However in some cases item wise depreciation, location or quantity were not maintained in the fixed asset register.
  - b) The management has not carried out a physical verification of all the fixed assets but there is a regular programme of verification which in our opinion is reasonable having regard to the size of the company and nature of its assets. To the best of our knowledge, no material discrepancies were noticed in respect of assets verified during the year.
  - c) Fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- II. The nature of the company's business/activities during the year have been such that clause (ii) of paragraph 4 is not applicable to the Company for the year.
- III.
  - a) During the year, the Company has granted loan, Secured or Unsecured to Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. The terms & conditions of such loan are prima facie prejudicial to the interest of the company to the extent of interest not charged.
  - b) The Company has not taken any loan, Secured or Unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly clauses (iii) f and (iii) g of the Order are not applicable.
- IV. In our opinion and according to the information and explanations given to us, there are generally adequate internal control procedures commensurate with the size of the Company and nature of its business with regards to purchase of components, plant and machinery, equipments and similar assets and also for sale of goods and services. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal control system in respect of these areas.
- V.
  - a) In our opinion and according to the information and explanation given to us, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act have been entered in the register required to be maintained under that Section.
  - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of rupees five lakhs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevalent market prices at the relevant time other than transactions of special nature for which competitive quotations are not available. However on the basis of information and explanations provided, the same appear reasonable.
- VI. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provision of section 58A and 58 AA of the Companies Act, 1956 and the rules framed hereunder, are not applicable to the Company.
- VII. In our opinion, the Company's present internal audit system is commensurate with the size and nature of its business.
- VIII. Since the Company is not a manufacturing, mining or processing industry, the Central Government has not prescribed the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956.
- IX. According to the information and explanation given to us and the records of the Company examined by us, in our opinion the Company has been generally regular in depositing undisputed statutory dues including Provident fund, Investor education and protection fund, Employees state insurance, Income tax ( Other than TDS of Rs.91245/- outstanding for a period of more than six month as on 31st March 2010), Sales tax, Service tax, Wealth tax, Custom duty, Excise duty and Cess and any other statutory dues applicable to it, with the appropriate authorities.



- X. The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- XI. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions or bank during the year. The Company did not have any outstanding dues to any debenture holders during the year.
- XII. According to the information and explanation given to us and based on the documents and records produced to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- XIII. In our opinion, the company is not a Chit fund or Nidhi / Mutual benefit fund/ society. Therefore the provision of clause 4 (xiii) are not applicable to the Company.
- XIV. In our opinion, the Company is not dealing or trading in share, securities, debentures and other Investments. Accordingly, the provisions of clause 4 (xiv) are not applicable to the Company.
- XV. According to the information and explanation given to us, the terms and conditions of guarantees given by the company for loans taken by others from bank or financial institutions are not, prima facie, prejudicial to the interests of the Company.
- XVI. According to the information and explanation given to us, no term loan has been raised during the year.
- XVII. According to information and explanation given to us and on an overall examination of Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long-term investment and no long term funds have been prima facie used to finance short term assets.
- XVIII. During the year Company has allotted 2000000 Equity Shares upon conversion of Share Warrants. In our opinion, the price at which shares have been issued upon Conversion of share warrant is not prejudicial to the interest of the Company.
- XIX. The Company has not raised any loan during the year through issue of debentures; hence the provision of clause 4 (xix) are not applicable to the Company.
- XX. The Company has not raised any money through a public issue during the year, hence the provision of clause 4 (xx) are not applicable to the Company.
- XXI. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

**For NATH & HARI  
Chartered Accountants**

Place :- Delhi

Date :- 23rd August, 2010

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



## IEC EDUCATION LTD.

### BALANCE SHEET AS AT 31st MARCH'2010.

			AS AT 31st MARCH'2010 (RS.)		AS AT 31st MARCH'2009 (RS.)
<b><u>SOURCES OF FUNDS</u></b>					
<b>Shareholders Fund</b>					
Share Capital	1	152600000.00		132600000.00	
Reserves & Surplus	2	168617706.73	321217706.73	103288195.71	235888195.71
<b>Loan Funds</b>					
Secured Loans	3	2867977.60		4277417.06	
Unsecured Loans	4	19551389.82	22419367.42	18998237.82	23275654.88
<b>TOTAL (RS.)</b>			<b><u>343637074.15</u></b>		<b><u>259163850.59</u></b>
<b><u>APPLICATION OF FUNDS</u></b>					
<b>Fixed Assets</b>					
Gross Block	5	75086068.52		110500953.94	
Less:-Depreciation		18182229.12		47927379.81	
Net Block			56903839.40		62573574.13
<b>Investment</b>	6		3520024.90		3520024.90
<b>Deferred Tax Assets (Net)</b> (Refer Note No.14 of Schedule 20)			2536988.80		2128727.80
<b>Current Assets,Loans &amp; Advances</b>					
Sundry Debtors	7	99988204.29		93334874.54	
Cash & Bank Balances	8	45610812.72		34754921.68	
Loans & Advances	9	140811054.82		104527638.98	
		286410071.83		232617435.20	
<b>Less:-Current Liabilities &amp; Provisions</b>					
Current Liabilities	10	5713056.78		41667087.44	
Provisions	11	228653.00		320612.00	
		5941709.78		41987699.44	
<b>Net Current Assets</b>			280468362.05		190629735.76
<b>Miscellaneous Expenditure</b>	12		207859.00		311788.00
			<b><u>343637074.15</u></b>		<b><u>259163850.59</u></b>
<b>Accounting Policies and Notes on Accounts</b>	20				

As per our report of even date

For Nath & Hari  
Chartered Accountants

(Kailash Hari)  
Partner  
M.No.82285

Place:- Delhi.  
Date:- 23rd August,2010

For and on Behalf of the Board

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

H.P Singh (Director)  
H.R Issarani (Director)  
A.K Khare (Director)  
J.K Bhola (Director)  
Shrey Rustagi (Company Secretary)  
Ashutosh K. Jha (Accounts Manager)



## IEC EDUCATION LTD.

### PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH'2010.

	SCHEDULE	CURRENT YEAR AMOUNT (RS.)	PREVIOUS YEAR AMOUNT (RS.)
<b><u>INCOME</u></b>			
Income from Operation	13	87512349.50	91607373.00
Other Income	14	2719486.84	3190785.61
		90231836.34	94798158.61
<b><u>EXPENDITURE</u></b>			
Training & Education Expenses	15	28916769.00	50138989.50
Personnel Expenses	16	1778155.00	4118279.00
Administrative & Other Expenses	17	28755173.28	13586794.19
Interest & Finance Charges	18	2006541.47	1588312.90
Depreciation	5	5875954.57	8101403.27
Miscellaneous Expenditure Written Off	19	103929.00	67716.00
		67436522.32	77601494.86
Profit/(Loss) before Taxes		22795314.02	17196663.75
Provision for Tax			
- Fringe Benefit Tax		0.00	(104976.00)
- Current Tax		(3874064.00)	(1960870.50)
-Deferred Tax		408261.00	911427.80
<b>Profit/(Loss) after Tax</b>		<b>19329511.02</b>	<b>16042245.05</b>
Balance Profit/(loss) brought forward from Previous year		16042245.05	(141263807.91)
Balance Transferred from Capital Reserve		0.00	5282000.00
Balance Transferred from Share Premium		0.00	135981807.91
Balance Profit/(Loss) carried to Balance Sheet		<b>35371756.07</b>	<b>16042245.05</b>
Basic Earning per Equity Share(in Rs.)		1.34	1.43
Diluted Earning Per Equity Share (in Rs.)		1.27	1.38
(Refer Note No.17 of Schedule-20)			
Accounting Policies and Notes on Accounts	20		

As per our report of even date

For Nath & Hari  
Chartered Accountants

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

Place:- Delhi.  
Date:- 23rd August,2010

For and on Behalf of the Board

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

H.P Singh (Director)  
H.R Issarani (Director)  
A.K Khare (Director)  
J.K Bhola (Director)  
Shrey Rustagi (Company Secretary)  
Ashutosh K. Jha (Accounts Manager)





## IEC EDUCATION LTD.

### SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH'2010.

	AS AT 31st MARCH'2010 (RS.)	AS AT 31st MARCH'2009 (RS.)
<b>SCHEDULE '1'</b>		
<b>SHARE CAPITAL</b>		
Authorised 2,10,00,000 Equity Shares of Rs.10/- each	210000000.00	210000000.00
<b>Issued subscribed &amp; Paid up</b> 15260000 Equity Shares of Rs. 10/- Each Fully Paid (Previous Year 13260000 Equity Shares)	152600000.00	132600000.00
2000000 Equity Shares of Rs.10/- each fully paid issued up to the holders of Share Warrants upon conversion of part of issued share warrants into fully paid Shares. ( Previous Year 3000000 Equity Shares)		
	<b>152600000.00</b>	<b>132600000.00</b>
<b>SCHEDULE '2'</b>		
<b>RESERVES &amp; SURPLUS</b>		
Capital Reserve		
As per last Balance Sheet	0.00	5282000.00
Add:- Addition on forfeiture of fully convertible share warrants (partly paid) (Refer Note No.12 of Schedule-20)	6000000.00	
Less:- Adjustments of Dr.Balance in Profit & Loss Accounts Pursuant to the Scheme of Arrangement.	0.00	0.00
	6000000.00	<u>5282000.00</u>
Share Premium		
As per last Balance Sheet	65012192.09	140994000.00
Add:- Amount arising on conversion of Share Warrants	<u>40000000.00</u> 105012192.09	<u>60000000.00</u> 200994000.00
Less:- Adjustments of Dr.Balance in Profit & Loss Accounts Pursuant to the Scheme of Arrangement.	0.00	0.00
	105012192.09	<u>135981807.91</u>
General Reserve		
As per last Balance Sheet	22233758.57	41049615.00
Add:- Adjustment pursuant to the Scheme of Arrangement	0.00	<u>3711874.57</u>
	22233758.57	44761489.57
Less :- Deficit on amalgamation	0.00	<u>22527731.00</u>
	22233758.57	22233758.57
Balance in Profit & Loss Account	35371756.07	16042245.05
	<b>168617706.73</b>	<b>103288195.71</b>
<b>SCHEDULE '3'</b>		
<b>SECURED LOANS</b>		
(a) Short Term Loan		
Term Loan from Bank (Hyp.of Computers) (Refer Note No.1. given below)	241181.96	241181.96
(b) Under Vehicle Finance Scheme (Refer Note No.2. given below)	2626795.64	4036235.10
	<b>2867977.60</b>	<b>4277417.06</b>
Note :-1) Short Term Loan from ICICI Bank is secured by hypothecation of Computers. 2) Term Loans From ICICI Bank and TATA Capital Ltd under Vehicle Finance Scheme are Secured by exclusive charge by way of hypothecation of vehicles purchased under the said scheme.		
<b>SCHEDULE '4'</b>		
<b>Unsecured Loans</b>		
From Directors	2566842.31	1501842.31
From Others	16984547.51	17496395.51
	<b>19551389.82</b>	<b>18998237.82</b>



**IEC EDUCATION LTD.**

**SCHEDULE '5'**

**FIXED ASSETS**

DESCRIPTION	GROSS BLOCK			As at 31.03.2010	DEPRECIATION AND AMORTIZATION			NET BLOCK		
	As at 01.04.2009	Addition	Deduction		Up to 31.03.2009	For the Year	Deduction Adjustment	Up to 31.03.2010	As at 31.03.2010	As at 31.03.2009
Goodwill	1000000.00	0.00	0.00	1000000.00	1000000.00	0.00	0.00	1000000.00	0.00	0.00
Land --Leasehold	5001390.00	0.00	0.00	5001390.00	0.00	0.00	0.00	0.00	5001390.00	5001390.00
Building	32254234.50	0.00	0.00	32254234.50	3238434.28	525744.02	0.00	3764178.30	28490056.20	29015800.22
Plant & Machinery	38171641.66	2550345.00	31752610.00	8969376.66	32445167.23	3278236.17	31199265.73	4524137.67	4445238.99	5726474.43
Office Equipment	5925200.00	0.00	1235650.00	4689550.00	2186693.12	252180.71	375386.06	2063487.77	2626062.23	3738506.88
Furniture & Fixtures	21644421.73	3980990.00	8957960.42	16667451.31	8703032.83	1144613.66	4046453.47	5801193.02	10866258.29	12941388.90
Vehicle	6504066.05	0.00	0.00	6504066.05	354052.35	675180.01	0.00	1029232.36	5474833.69	6150013.70
<b>TOTAL</b>	<b>110500953.94</b>	<b>6531335.00</b>	<b>41946220.42</b>	<b>75086068.52</b>	<b>47927379.81</b>	<b>5875954.57</b>	<b>35621105.26</b>	<b>18182229.12</b>	<b>56903839.40</b>	<b>62573574.13</b>

PreviousYear	97312170.39	13188783.55	0.00	110500953.94	39825976.54	8101403.27	0.00	47927379.81	62573574.13	57486193.85
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## IEC EDUCATION LTD.

	AS AT 31st MARCH'2010 (RS.)	AS AT 31st MARCH'2009 (RS.)
<b><u>SCHEDULE '6'</u></b>		
<b><u>INVESTMENTS</u></b>		
(Non-Trade and long Term) at Cost		
<u>Unquoted (Fully paid up Equity Shares )</u>		
IEC Infotech SDN. BHD.		
2 Shares of Malaysian Ringetts one each(Rs.value 12.45/- per Ringett)	24.90	24.90
<u>in Subsidiary Companies</u>		
2,50,000 Equity Shares of Rs.10/- each of IEC leasing & Capital Mgt Ltd	2500000.00	2500000.00
51,000 Equity Share of Rs.10/- each of IEC learning & Management Ltd	510000.00	510000.00
51,000 Equity Share of Rs.10/- each of IEC Education & Infrastructure Ltd	510000.00	510000.00
	<b>3520024.90</b>	<b>3520024.90</b>
<b><u>SCHEDULE '7'</u></b>		
<b><u>SUNDRY DEBTORS</u></b>		
(Unsecured)		
Debt outstanding for a period exceeding six months		
Considered Good	95869573.09	65423412.04
Other Debts, considered good	4118631.20	27911462.50
	<b>99988204.29</b>	<b>93334874.54</b>
<b><u>SCHEDULE '8'</u></b>		
<b><u>CASH &amp; BANK BALANCES</u></b>		
Cash in Hand	2795112.44	1232508.15
Balance with Scheduled Banks		
on Current Account	39412956.81	4173492.00
Fixed Deposit (including Margin Money of Rs.21,287.47/- (previous year Rs.77,41,374.14/-)	3402743.47	29348921.53
	<b>45610812.72</b>	<b>34754921.68</b>
<b><u>SCHEDULE '9'</u></b>		
<b><u>LOANS &amp; ADVANCES</u></b>		
Advances Recoverable in Cash or in kind		
or for value to be received	28994819.40	40930248.45
Security & Deposits with others	111482881.42	63292834.79
Advance Income Tax (Net of Provision for Tax)	333354.00	304555.74
	<b>140811054.82</b>	<b>104527638.98</b>
<b><u>SCHEDULE '10'</u></b>		
<b><u>CURRENT LIABILITIES</u></b>		
<b>Sundry Creditors</b>		
Due to Micro,Small and Medium Enterprises	0.00	0.00
(To the extent identified with available Information )		
Others	1770639.50	3928956.05
Other Liabilities	3942417.28	25268131.39
Advance received towards issue of convertible warrants	0.00	12470000.00
	<b>5713056.78</b>	<b>41667087.44</b>



## IEC EDUCATION LTD.

	AS AT 31st MARCH'2010 (RS.)	AS AT 31st MARCH'2009 (RS.)
<b><u>SCHEDULE '11'</u></b>		
<b><u>PROVISIONS</u></b>		
For Fringe Benefit Tax	0.00	97769.00
For Retirement Benefits	228653.00	222843.00
	<b>228653.00</b>	<b>320612.00</b>
<b><u>SCHEDULE '12'</u></b>		
<b><u>MISCELLANEOUS EXPENDITURE</u></b>		
(To the extent not written off or adjusted)		
Deferred Revenue Expenditure	207859.00	311788.00
	<b>207859.00</b>	<b>311788.00</b>

**SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH'2010.**

	CURRENT YEAR	PREVIOUS YEAR
<b><u>SCHEDULE '13'</u></b>		
<b><u>INCOME FROM OPERATION</u></b>		
Franchise Royalty	6990500.00	6268520.00
Income From College	2500000.00	2500000.00
Income From Personality Dev. Programme (P.D.P)	74618500.00	15500000.00
Training & Education Income	3403349.50	67338853.00
	<b>87512349.50</b>	<b>91607373.00</b>
<b><u>SCHEDULE '14'</u></b>		
<b><u>OTHER INCOME</u></b>		
Interest ( Gross on others (TDS Rs.59135.00) (Previous Year Rs. 325031.00)	1123397.84	1615439.38
Miscellaneous Income	1596089.00	1575346.23
	<b>2719486.84</b>	<b>3190785.61</b>
<b><u>SCHEDULE '15'</u></b>		
<b><u>TRAINING &amp; EDUCATION EXPENSES</u></b>		
Consultancy Charges	1310978.00	3039767.00
Course Execution Charges	9587418.00	40585745.50
Franchise Expenses	5086500.00	4391600.00
P.D.P Expenses	12931873.00	2121877.00
	<b>28916769.00</b>	<b>50138989.50</b>



## IEC EDUCATION LTD.

	CURRENT YEAR AMOUNT(RS.)	PREVIOUS YEAR AMOUNT(RS.)
<b><u>SCHEDULE '16'</u></b>		
<b><u>PERSONNEL EXPENSES</u></b>		
Contribution to Providend Fund & Others Fund	84048.00	50437.00
Providend Fund & Other Fund Penalty & Damaged	0.00	1600000.00
Salaries, Bonus. Gratuity & allowances	1415736.00	2308104.00
Welfare Expenses	278371.00	159738.00
	<b>1778155.00</b>	<b>4118279.00</b>
<b><u>SCHEDULE '17'</u></b>		
<b><u>ADMINISTRATIVE &amp; OTHER EXPENSES</u></b>		
Advertisement & Publicity	655772.00	404034.00
Auditors' Remuneration	270148.00	268189.00
Bad Debts Written Off	4586694.12	1155326.00
Bus & Taxi Hire Charges	375850.00	545850.00
Conference & Seminar	974150.00	585000.00
Director's Remuneration	2750000.00	1947000.00
Directors sitting Fee	37500.00	70750.00
General Meetings..	213487.00	198418.00
Insurance exp.	1569.00	0.00
IgnoU Expenses	587700.00	343550.00
Inst.Of Hospitality Managements Expenses	389720.00	256270.00
Legal Expenses	448087.00	197112.00
Loss on Sale of Fixed Assets	6325115.16	0.00
Miscellaneous Expenses	2496687.00	2222598.19
Photography Expenses	452800.00	120250.00
Postage & Telephone	314665.00	361736.00
Printing & Stationery	953595.00	727855.00
Rent,Rates & Taxes	568149.00	1505393.00
Repair & Maintenance-Building	1517350.00	351550.00
Repair & Maintenance-Others	747730.00	817141.00
Repair & Maintenance-Plant & Machinery.	420754.00	201499.00
Sanitation Watch & Ward	646652.00	207720.00
Share Transfer Expenses	66180.00	67210.00
Students Welfare	643760.00	185000.00
Travelling & Conveyance	1318995.00	116540.00
Vehicle Running & Maintenance	816782.00	185800.00
Water & Electricity	175282.00	545003.00
	<b>28755173.28</b>	<b>13586794.19</b>
<b><u>SCHEDULE '18'</u></b>		
<b><u>INTEREST &amp; FINANCE CHARGES</u></b>		
Bank Charges	43794.79	108232.77
Interest on others	1962746.68	1480080.13
	<b>2006541.47</b>	<b>1588312.90</b>
<b><u>SCHEDULE '19'</u></b>		
<b><u>MISCELLANEOUS EXPENDITURE WRITTEN OFF</u></b>		
Deferred Revenue Expenditure	103929.00	67716.00
	<b>103929.00</b>	<b>67716.00</b>



# SCHEDULE '20'

## NOTES TO THE ACCOUNTS

### 1. Significant Accounting Policies

#### a) System of Accounting :

The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting and are in accordance with the requirements of the Companies Act, 1956 and comply with the Accounting Standards (AS) referred to in sub section (3C) of Section 211 of the said Act. The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and the reported income and expenses. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future period.

#### b) Fixed assets :

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

#### c) Depreciation :

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

#### d) Investment :

- 1) Long-term investments are stated at cost of acquisition and related expenses. Provision is made to recognize a decline, other than temporary, in the value of long term investments on an individual basis.
- 2) Current investments are carried at the lower of cost and fair value.

#### e) Employee Benefit :

Short term employee benefits are recognized as an expense at the undiscounted amount in the Profit & Loss Account of the year in which the relative service is rendered.

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

#### f) Revenue Recognition :

The revenue in respect of sale of courseware is recognized on delivery of materials. The revenue from training and education activity is recognized over the period of the course program. Revenue in respect of other consultancy receipts is recognized upon rendering of the service. Claims including insurance claims are accounted for on the acceptance and determination of the amounts recoverable by the concerned authorities.

#### g) Dividend :

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



**h) Miscellaneous Expenditure :**

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

**i) Taxes on Income :**

The expense comprises current and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. The impact of current year timing differences between taxable income and accounting income for the year is recognized as a deferred tax asset or deferred tax liability. The tax effect is calculated on accumulated timing differences at the end of accounting year, based on effective tax rate substantively enacted by the balance date. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized in future; however where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets.

**j) Borrowing Cost :**

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

**k) Leases :**

Lease arrangements where the risk and rewards incidental to ownership of an asset substantially vest with the lessor are recognized as operating leases. Payments under operating lease are recognized in profit & loss account on an accrual basis over the lease term. Assets lease out under operating leases are Capitalised. Rental income is recognized on accrual basis over the lease term.

**l) Impairment of Assets :**

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

**m) Provisions, Contingent Liabilities and Contingent Assets :**

Provisions involving substantial degree of estimation in measurement are recognized in terms of Accounting Standard 29-“Provisions, Contingent Liabilities and Contingent Assets” (AS-29) notified by the Companies (Accounting Standards) Rules, 2006 when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are recognized only when there is a possible obligation arising from past events and the existences of which will be confirmed only by the occurrence or non- occurrence of future events not wholly within the control of the Company. Contingent Assets are neither recognized nor disclosed in financial statements.

**n) General :**

The financial statements have been prepared in accordance with historical cost convention. Accounting policies not specifically referred to are consistent with **GENERALLY ACCEPTED ACCOUNTING PRACTICES**.

**2) Contingent Liabilities not provided for :**

	Current Year	Previous Year
a) Claims against the company not Acknowledged as debt	72,83,646.00	75,24,828.00
b) Bank Guarantee	33,82,823.00	60,71,452.24

3) Based on the information presently available with the management no amounts are outstanding as at 31st March, 2010 to micro, small and medium enterprises identified as per provisions of Micro, Small and Medium Enterprises Development Act, 2006 (“MSMED Act”)



- 4) The Building purchased by the Company at M-92, Connaught Place, New Delhi, from the promoters in the earlier years is yet to be registered in the Company's name.
- 5) In view of the confirmation not having been obtained from the Sundry Debtors, Loans and Advances and Sundry Creditors the accounts are subject to adjustment on receipt of confirmation of balance and /or reconciliation of accounts the impact where of on account cannot be ascertained at this stage.
- 6) In the opinion of the Board of Directors, the Fixed Assets, the Current Assets and Loans and Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.

7) Auditor's Remuneration (Including Service Tax) :

	<b>Current Year</b>	<b>Previous Year</b>
Audit Fee	1,65,450.00	1,65,450.00
Tax Audit Fee	33,090.00	33,090.00
Misc. Certification & Other Charges	71,608.00	68,024.00
	-----	-----
	2,70,148.00	2,66,564.00
	-----	-----

8) (a) Details of Remuneration and Perquisites of the Managing Director and other Directors.

	<b>Current Year</b>	<b>Previous Year</b>
Managerial Remuneration	27,50,000.00	19,11,000.00
Contribution to Provident Fund	36,000.00	36,000.00
Perquisites/Allowances	0.00	0.00
	-----	-----
	27,86,000.00	19,47,000.00
	-----	-----

b) Sitting Fees 37500.00 70750.00

- 9) No provision for doubtful debts and advances of Rs. 1,28,84,944.94 (Previous Year Rs. 1,28,84,944.94) and Rs. 51,03,404.45 (Previous Year Rs. 1,01,03,404.45) respectively has been made because in the opinion of management, these amounts are still good in nature and management is hopeful of their recovery.
- 10) Security deposit under loans & advances Schedule include an amount of Rs. 10,00,00,000/- (Previous year Rs. 5,11,55,017.37) pursuant to agreements for business given to two trust in which two directors of the Company are interested. Further security deposit includes an amount of Rs.56,00,000/- (Previous year 56,00,000/-) given to one director of the Company.
- 11) Advance recoverable in Cash or in Kind under loans and advances Schedule include an amount of Rs.7,00,000/- (Previous Year Rs.49,00,000/- given to two director of the Company.
- 12) During the earlier year the company had issued 20,00,000 (twenty lakhs) fully convertible share warrants @ Rs.30/- each to the promoters and non promoter group. The company had received Rs.3/-per share warrant being 10% of total consideration. Since the balance payment could not be received within the stipulated time the amount of Rs.60,00,000/- received in earlier year has been forfeited and transferred to Capital Reserve.
- 13) The Subsidiary Company made a Loss of Rs.3,43,026.00 for the year ended 31st March,2010. This loss together with the brought forward loss of Rs.25,13,083.80 has been carried to the Balance Sheet. The holding Company's Share of loss out of Rs.28,56,109.80 has not been dealt with in the holding Company's books of accounts.





#### 14) Deferred Tax :

In accordance with Accounting Standard (AS)-22 on "Accounting for Taxes on Income Tax" issued by the Institute of Chartered Accountants of India and based on the reasonable certainty that sufficient future taxable income will be available, the company has accounted for deferred tax during the year. The major components of deferred tax assets/ liabilities are as under:

Particulars	Deferred Tax (Assets)/Liabilities as at 01/04/2009	Current Year Charges/ (Credit)	Deferred Tax (Assets)/Liabilities as at 31/03/2010
<b>Deferred Tax Assets :</b>			
Provision allowed under tax on payments basis	36883120.99	12590.00	36895710.99
	<b>36883120.99</b>	<b>12590.00</b>	<b>36895710.99</b>
<b>Deferred Tax Liabilities :</b>			
Accumulated Depreciation	34059347.19	(395671.00)	33663676.19
Payments allowed under tax not expensed in books	695046.00	0.00	695046.00
	<b>34754393.19</b>	<b>(395671.00)</b>	<b>34358722.19</b>
<b>Net Deferred Tax Assets</b>	<b>2128727.80</b>	<b>(408261.00)</b>	<b>2536988.80</b>

15) Amount of borrowing cost capitalized as per Accounting Standards (AS) -16 during the year was Rs. NIL.

16) Segment Reporting (AS)-17

## Primary Segment Information-Business Segment



(Rs. In Lac)

Particulars	Training & Education	P.D.P Receipts	Others	Total
<b>Revenue :-</b>				
Revenue External	86.23 (673.39)	746.19 (155.00)	69.90 (119.59)	902.32 (947.98)
Inter Segment	- (-)	- (-)	- (-)	- (-)
<b>Total Revenue</b>	<b>86.23 (673.39)</b>	<b>746.19 (155.00)</b>	<b>69.90 (119.59)</b>	<b>902.32 (947.98)</b>
<b>Results Segment</b>				
<b>Results (Profit before tax)</b>	<b>-94.10 (28.35)</b>	<b>329.77 (93.37)</b>	<b>-7.72 (50.24)</b>	<b>227.95 (171.96)</b>
<b>Other Information :-</b>				
Assets	1213.14 (0.00)	691.30 (0.00)	48.49 (0.00)	1952.93 (0.00)
Unallocated Corporate Assets	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	1515.41 (1107.56)
Total	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	3468.34 (1107.56)
Liabilities	168.18 (0.00)	26.27 (0.00)	0.00 (0.00)	194.45 (0.00)
Unallocated Corporate Liabilities	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	89.16 (677.73)
Total	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	283.61 (677.73)
Depreciation	9.49 (0.00)	44.36 (0.00)	4.91 (0.00)	58.76 (81.01)
Unallocated Corporate Depreciation	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Total	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	58.76 (81.01)
Capital Expenditure	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Unallocated Corporate Capital Expenditure	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Total	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (.67.00)

Figures in brackets represent Previous Year's amount.



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

17) Earning Per Share (EPS) :

Particulars	2009 - 2010	2008 - 2009
<b>(A) Basic EPS :</b>		
(i) Net Profit attributable to Equity Shareholders (Rs. Crore)	<b>19329511.44</b>	17020308.46
(ii) Weighted average number of Equity Shares Outstanding (Nos.)	<b>14443561.64</b>	11920274.00
<b>Basic EPS (Rs.) (i) / (ii)</b>	<b>1.34</b>	<b>1.43</b>
<b>(B) Diluted EPS :</b>		
(i) Weighted average number of Equity Shares Outstanding	<b>15260000.00</b>	11920274.00
(ii) Add: Potential Equity Shares on Exercise of Option	<b>0.00</b>	415667.00
(iii) Weighted average number of Equity Shares Outstanding for Calculation of Diluted EPS (i+ ii)	<b>15260000.00</b>	12335941.00
<b>Diluted EPS (Rs.){ (A) (i)} / { (B) (iii)}</b>	<b>1.27</b>	<b>1.38</b>
<b>Face Value of Shares (Rs.)</b>	<b>10.00</b>	<b>10.00</b>

18) Disclosure in respect of operating leases under Accounting Standard (AS)-19 'Leases prescribed by the Companies (Accounting Standards) Rules, 2006.

a) General description of the Company's operating lease arrangements:

The Company enters into operating lease arrangements for leasing offices and residential Premises for its employees and students. Some of the significant term and conditions of the arrangements are :

- Agreements for most of the premises may generally be terminated by the lessee or either party by serving one to two month's notice or by paying the notice period rent in lieu thereof.
- The lease arrangements are generally renewable on the expiry of lease period subject to mutual agreement.
- The Company shall not sublet, assign or part with the possession of the premises without prior written consent of the lessor.

b) Lease rent charged to the profit and loss account Rs 5,67,000/- (previous year Rs. 15,05,065.00)

c) The total of future minimum lease payments under non - cancelable operating leases is given below :-

	As at 31 March 2010	As at 31 March 2009
Payable not later than one year	-----	-----
Payable later than one year and not later than five year	-----	-----
Payable later than five years	-----	-----
	-----	-----
Total	NIL	NIL
	=====	=====

19) Related Party Disclosures (Pursuant to Accounting Standard (AS) -18), are given below:

**Relationship :**

a) Subsidiary Companies

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



b) Other related parties where transactions have taken place:

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

c) Directors of the Company:

Brig.S.V.S.Chowdhry	Non Executive Director
Mr. L.C Goel	Non Executive Director
Mr.R.L.Gupta	Non Executive Director
Mr.Kailash Nath	Non Executive Director
Mr. Sarabjit Singh Saini	Non Executive Director
Mr. Rasik Makkar	Non Executive Director
Mr. H.P Singh	Non Executive Director
Mr. Navin Gupta	Managing Director
Mr. H.R.Issarani	Non Executive Director
Mr.A.K. Khare	Non Executive Director
Mr. J.K.Bhola	Non Executive Director

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

Mrs.Sharda Gupta  
Mrs. Shalini Gupta

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

Nature of transaction	Referred in 19 (a)	Referred in 19 (b)	Referred in 19 (c)	Referred in 19 (d)	Total (Rs.)
- Director's sitting fees			37500.00 (70750.00)		37500.00 (70750.00)
- Income received during the year		2500000.00 (250000.00)			2500000.00 (250000.00)
- Amount received during the year		38875017.37 (14907037.00)	8250000.00 (1120000.00)	0.00 (1663842.00)	47125017.37 (17690879.00)
- Amount paid during the year		57720000.00 (21472982.63)	3007000.00 (4298700.00)	1279848.00 (1600000.00)	62006848.00 (27371682.63)
- Security given during the year		48844982.63 (31155017.37)	0.00 (5600000.00)	0.00 (0.00)	48844982.63 (36755017.37)

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

20) Previous year's expenditure accounted for under the respective heads of accounts during the current year is Rs.64,927.85/- (Previous year Rs.2,60,297/-)

21) Additional information pursuant to paras 3, 4C and 4D of Part-II of the Schedule – VI of the Companies Act, 1956 is given below to the extent applicable.

	Current Year	Previous Year
Expenditure incurred in foreign currency	0.00	0.00
Earning in foreign exchange	0.00	0.00



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

**As per our report of even date**

For Nath & Hari  
Chartered Accountants

(Kailash Hari)  
Partner  
M.No.: 82285

Place :- Delhi  
Date :- 23rd August, 2010

**for and on behalf of the Board**

Brig. S.V.S Chowdhry (Chairman)  
L.C Goel (Director)  
R.L.Gupta (Director)  
Kailash Nath (Director)  
Navin Gupta (Managing Director)  
Sarabjit Singh Saini (Director)  
Rasik Makkar (Director)  
H.P Singh (Director)  
H.R Issarani (Director)  
A.K Khare (Director)  
J.K. Bhola (Director)  
Shrey Rustagi (Company Secretary)  
Ashutosh K. Jha (Accounts Manager)



## IEC EDUCATION LTD.

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2010

	CURRENT YEAR (RS.)	PREVIOUS YEAR (RS.)
<b>A) Cash flow from Operating Activities</b>		
Net Profit Before Tax	22795314.02	17196663.75
<b>Adjusted for</b>		
Depreciation	5875954.57	8101403.27
Miscellaneous Expenditure written off	103929.00	67716.00
Bad Debts Written Off	4586694.12	1155326.00
Interest Paid	1962746.68	1480080.13
Interest Received	(1123397.84)	(1615439.38)
Loss on sale of fixed assets	6325115.16	0.00
<b>Operating Profit before working capital changes</b>	<b>40526355.71</b>	<b>26385749.77</b>
<b>Adjusted for :</b>		
(Increase)/Decrease in Trade and other receivables	(47523439.71)	(70113009.91)
Increase/(Decrease) in Trade payables	(27450053.66)	(47510128.39)
<b>Cash generated from operation</b>	<b>(34447137.66)</b>	<b>(91237388.53)</b>
<b>Net Cash (used) in / from Operating Activities</b>	<b>(34447137.66)</b>	<b>(91237388.53)</b>
<b>B) Cash Flow from Investing Activities</b>		
Purchase of fixed assets	(6531335.00)	(12286098.55)
Interest received	1123397.84	1615439.38
<b>Net Cash (used) in / from Investing Activities</b>	<b>(5407937.16)</b>	<b>(10670659.17)</b>
<b>C) Cash Flow From Financing Activities</b>		
Proceeds of Long Term and other borrowings	553152.00	4036235.10
Repayment of Long Term and other borrowings	(1409439.46)	(5912103.63)
Issue of Share Capital	20000000.00	30784570.16
Increase in Capital reserve	6000000.00	0.00
Proceeds of convertible Shares Warrants	(12470000.00)	12470000.00
Share Premium	40000000.00	60000000.00
Interest Paid	(1962746.68)	(1480080.13)
<b>Net Cash(used)in/ from Financing Activities</b>	<b>50710965.86</b>	<b>99898621.50</b>
<b>Net increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>10855891.04</b>	<b>(2009426.20)</b>
Cash and Cash Equivalents-Opening Balance	34754921.68	36764347.88
Cash and Cash Equivalents-Closing Balance*	<b>45610812.72</b>	<b>34754921.68</b>
Note: 1) Cash flow statement has been prepared under the indirect method as set out in Accounting Statndard-3 Notified by the Companies act,1956.		
2) Cash and cash equivalents include Rs.21287.47 (Previous Year Rs. 7741374.14) on account of margin money deposits which are not available for use by the Company.		
3) Previous year's figures regrouped/ recast wherever necessary.		

As per our report of even date

For and on Behalf of the Board

For Nath & Hari  
Chartered Accountants

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

H.P Singh ( Director)  
H.R Issarani ( Director)  
A.K Khare ( Director)  
J.K.Bhola ( Director)  
Shrey Rustagi ( Company Secretary)  
Ashutosh Kr. Jha ( Accounts Manager)

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

Place:- Delhi.  
Date:- 23rd August,2010



## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

### INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

<b>i)</b>	<b>Registration details</b>	
	Registration No.	61053
	State Code No.	55
	Balance Sheet Date	31.03.2010
<b>ii)</b>	<b>Capital raised during the year (Amount in Thousands)</b>	
	Public Issue (Issue through the prospectus)	Nil
	Rights Issue (including share premium)	Nil
	Bonus Issue	Nil
	Private Placement	Nil
<b>iii)</b>	<b>Position of Mobilization and Deployment of Funds (Amount in Thousands)</b>	
	Total Liabilities	343637
	Total Assets	343637
	<b>SOURCE OF FUNDS:</b>	
	Paid-up Capital	152600
	Reserves & Surplus	168618
	Secured Loans	2868
	Unsecured Loans	19551
	<b>APPLICATION OF FUNDS :</b>	
	Net Fixed Assets	56904
	Investments	3520
	Deferred Tax Assets	2537
	Net Current Assets	280468
	Misc. Expenditure	208
	Accumulated Losses	Nil
<b>iv)</b>	<b>Performance of the Company (Amount in Thousands)</b>	
	Turnover (Including other income )	90232
	Total expenditure	67436
	Profit / (Loss) before Tax	22796
	Profit / (Loss) after Tax	19329
	Earning per share in Rs.	1.34
	Dividend Rate %	0.00
<b>iv)</b>	<b>Generic Name of Principal Product/Services of the Company (As per monetary Terms)</b>	
	Item code No.	N.A
	Product Description	N.A

#### As per our report of even date

For Nath & Hari  
Chartered Accountants

(Kailash Hari)  
Partner  
M.No. : 82285

Place :- Delhi  
Date :- 23rd August, 2010

#### For and on Behalf of the Board

Brig S.V.S Chowdhry (Chairman)	Rasik Makkar (Director)
L.C Goel (Director)	H.P Singh (Director)
R.L Gupta (Director)	H.R Issarani (Director)
Kailash Nath (Director)	J.K Bhola (Director)
Navin Gupta (Managing Director)	Shrey Rustagi (Company Secretary)
Sarabjit Singh Saini (Director)	Ashutosh K.Jha (Accounts Manager)
A.K Khare (Director)	



## Statement Pursuant To Section 212 Of The Companies Act, 1956 Relating To Subsidiary Companies

Sr.No.	Name of the Subsidiary Companies	IEC Leasing & Capital Management Ltd	IEC Learning and Management Ltd	IEC Education and Infrastructure Ltd
1.	Financial year of the Subsidiaries Company ended on	<b>March, 31,2010</b>	<b>March, 31,2010</b>	<b>March, 31,2010</b>
2.	Holding Company's Interest			
	a) Number of Shares fully paid	<b>2,50,000</b>	<b>51,000</b>	<b>51,000</b>
	b) Extent of holding	<b>99.72 %</b>	<b>51%</b>	<b>51%</b>
3.	Net aggregate amount of Profit/(Loss) of the subsidiary , so far as they concern members of the IEC Education Limited	Rs.	Rs.	Rs.
	i) for the financial year of the subsidiary			
	a) Dealt with in the account of the holding company	-----	-----	-----
	b) Not dealt with in the accounts of the holding Company			
	ii) For the previous financial years of the subsidiary since it became the holding company's subsidiary	45986.88	75355.05	76069.05
	a) Dealt with in the account of the holding company	-----	-----	-----
	b) Not dealt with in the accounts of the holding company	2 41316197	23752.23	23752.23

### For and on behalf of the Board

Brig. S.V.S Chowdhry (Chairman)  
L.C Goel (Additional Director)  
R.L.Gupta (Director)  
Kailash Nath (Director)  
Navin Gupta (Managing Director)  
Sarabjit Singh Saini (Director)  
A.K Khare (Director)

Rasik Makkar (Director)  
H.P Singh (Director)  
H.R Issarani (Director)  
J.K Bhola (Director)  
Shrey Rustagi (Company Secretary)  
Ashutosh K. Jha (Accounts Manager)

Place :- Delhi

Date :- 23rd August, 2010



# IEC LEASING & CAPITAL MANAGEMENT LTD.

## Director's Report

To

The Members,

Your Directors have pleasure in presenting the Thirteenth Annual Report and Audited Accounts of your Company for the financial year ended 31st March, 2010.

### CORPORATE RESULTS:-

	Year Ended 31/03/2010	(In Rs.) Year Ended 31/03/2009
Total Income	0.00	0.00
Administrative Expenditure	46116.00	76253.00
Miscellaneous Expenditure Written Off	0.00	0.00
Profit/(Loss) Before Tax	(-)46116.00	(-)76253.00
Provision For Tax	0.00	0.00
Profit/(Loss) After Tax	(-)46116.00	(-)76253.00

### COMPANY PERFORMANCE

Since there is a general recession in the industry, the Company has not undertaken any activity during financial year i.e. 2009-10.

### DIVIDEND

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

### DIRECTORS

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

### AUDITORS

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

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

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

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





## DIRECTORS' RESPONSIBILITY STATEMENT

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

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period.
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.
- The Directors had prepared the Annual Accounts on a going concern basis.

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

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

## PUBLIC DEPOSIT

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

## SUBSIDIARY COMPANY

The Company does not have any Subsidiary Company.

## APPRECIATION

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

**For and on behalf of the Board**

Place :- Delhi

**R.L. Gupta**  
**(Chairman)**

Date :- 20th August, 2010



## AUDITOR'S REPORT



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

1. We have audited the attached Balance Sheet of M/s. IEC LEASING & CAPITAL MANAGEMENT LTD as at 31st March.2010, the Profit & Loss Account and Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on the financial statement based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's report) Order, 2003 "( CARO)" issued by the Central Government in terms of sub section (4A) of section 227 of the Companies Act,1956, we enclose in the annexure, a statement on the matters specified in paragraph 4 and 5 of the said order to the extent applicable to the Company.
4. Further to our comments in the Annexure referred to in paragraph (3) above, we report that :
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of the books.
  - c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
  - d) In our opinion, the Balance Sheet, Profit & Loss Accounts and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3 c) of Section 211 of the Companies Act,1956.
  - e) On the basis of written representations received from the Directors of the Company as on 31st March, 2010 and taken on record by the Board of Directors, we report that the none of the Directors is disqualified as on 31st March, 2010. from being appointed as a director of the Company in terms of clause (g) of sub section (I) of section 274 of the Companies Act,1956.
  - f) In Our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon, give the information required by the Companies Act,1956 in the manner so required and give a true and fair view in conformity with the accounting principals generally accepted in India.
- I. In the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2010. and:
  - II. In the case of the Profit & Loss Account of the Loss of the Company for the year ended on that date.
  - III. In the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For NATH & HARI  
Chartered Accountants

Place :- Delhi  
Date :- 20th August, 2010

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



## ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 3 of our report of even date on the accounts of IEC Leasing & Capital Management Limited for the year ended 31st March, 2010)

- I. The Company is not having any fixed assets and hence the requirement of maintaining record of fixed assets is not applicable.
- II. The nature of the company's business/activities during the year have been such that clause (ii) of paragraph 4 is not Applicable to the company for the year.
- III. The Company has not granted or taken any loans, secured or unsecured to/from companies firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- IV. In our opinion and according to the information and explanation given to us, the internal control procedures are commensurate with the size of the Company and the nature of its business.
- V. According to the information and explanations given to us, there are no transactions that need to be entered into a register in pursuance of section 301 of the Companies Act, 1956.
- VI. The Company has not accepted any deposit from the public.
- VII. The Company has no formal internal audit department as such. However, its control procedures ensure reasonable internal checking of its financial and other records.
- VIII. Maintenance of cost records have not been prescribed by the Central Government in respect of the business carried on by the Company.
- IX.
  - a) The Company is not covered under the Provident Fund and Employees State Insurance Scheme. The company did not have any dues in respect of income tax, wealth tax, custom duty, excise duty and cess.
  - b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, custom duty and cess were in arrears, as at the last day of the financial year for a period of more six month from the date they became payable.
  - c) According to the information and explanations given to us, there are no dues of sales tax, income tax. Custom duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.
- X. The accumulated losses of the Company exceed fifty percent of its net worth at the end of the financial year. The Company has incurred cash losses during the current financial year and also in the immediately preceding financial year.
- XI. In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank. The Company has not issued any debentures.
- XII. 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. In our opinion, the Company is not a chit fund or a nidhi /mutual benefit fund /society. Therefore the provisions of clause 4 (xiii) of the Companies (Auditor's Report) order, 2003 are not applicable to the Company.



- XIV. In our opinion and according to the information and explanations given to us, the Company has maintained proper records of the transactions and contracts relating to dealing in shares, securities, debentures and other investments and these are held by the Company in its own name.
- XV. According to the information and explanations given to us the Company has not given guarantees for loans taken by others from bank or financial institutions.
- XVI. The Company has not taken any term Loans and hence reporting on the utilization of such loans does not arise.
- XVII. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that the Company has not used funds raised on short term basis for long term investments and no long term funds have been used to finance short term assets.
- 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.
- XIX. The Company has not issued debentures and hence the question of reporting on creation of securities in respect of debentures issued does not arise.
- XX. The Company has not raised any resources by way of public issue and hence the question of reporting on the disclosure relating to end use of such resources does not arise.
- XXI. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

Place :- Delhi

Date :- 20th August, 2010

**For NATH & HARI  
Chartered Accountants**

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



## IEC LEASING & CAPITAL MANAGEMENT LTD.

### BALANCE SHEET AS AT 31ST MARCH, 2010

	SCHEDULE	AS AT 31ST MARCH'2010	AS AT 31ST MARCH'2009 (RS.)
<b><u>SOURCE OF FUNDS</u></b>			
<b>Shareholders Fund</b>			
Share Capital	1	2507000.00	2507000.00
<b>TOTAL (RS.)</b>		<b>2507000.00</b>	<b>2507000.00</b>
<b><u>APPLICATION OF FUNDS</u></b>			
<b>Current Assets, Loans &amp; Advances</b>			
Investment	2	40000.00	40000.00
Cash & Bank Balances	3	6461.20	52577.20
		46461.20	92577.20
<b>Less:-Current Liabilities &amp; Provisions</b>			
Current Liabilities	4	5515.00	5515.00
		5515.00	5515.00
<b>Net Current Assets</b>		40946.20	87062.20
<b>Profit &amp; Loss Account</b>		2466053.80	2419937.80
		<b>2507000.00</b>	<b>2507000.00</b>
<b>Notes to the Accounts</b>	6		

As per our report of even date

For Nath & Hari  
Chartered Accountants

(Kailash Hari)  
Partner  
M.No. : 82285

Place:- Delhi.  
Date:- 20th August, 2010

For and on Behalf of the Board

R.L.Gupta (Chairman)

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



# IEC LEASING & CAPITAL MANAGEMENT LTD.

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH,2010.

	SCHEDULE	CURRENT YEAR AMOUNT RS.	PREVIOUS YEAR AMOUNT RS.
<b>INCOME</b>			
Income from operation		0.00	0.00
		<b>0.00</b>	<b>0.00</b>
<b>EXPENDITURE</b>			
Administration Expenses	5	46116.00	76253.00
<b>TOTAL (RS.)</b>		<b>46116.00</b>	<b>76253.00</b>
Profit/(Loss) before tax		(46116.00)	(76253.00)
Provision for Tax		0.00	0.00
Profit/(Loss) after Tax		(46116.00)	(76253.00)
Balance profit(Loss)brought from previous year		(2419937.80)	(2343684.80)
Balance profit/(loss)carried to Balance Sheet		(2466053.80)	(2419937.80)
<b>Notes to the Accounts</b>	<b>6</b>		

As per our report of even date

For Nath & Hari  
Chartered Accountants

(Kailash Hari)  
Partner  
M.No.: 82285

Place:- Delhi.  
Date:- 20th August, 2010

For and on Behalf of the Board

R.L.Gupta (Chairman)

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



## IEC LEASING & CAPITAL MANAGEMENT LTD.

### SCHEDULES FORMING PART OF THE BALANCE SHEET

	AS AT 31ST MARCH, 2010 (RS.)	AS AT 31ST MARCH, 2009 (RS.)
<b>SCHEDULE '1'</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised</b>		
3,00,000 Equity Shares of Rs.10/- each	3000000.00	3000000.00
<b>Issued subscribed &amp; Paid up</b>		
2,50,700 Equity Shares of Rs.10/- each fully paid up	2507000.00	2507000.00
	<b>2507000.00</b>	<b>2507000.00</b>
<b>SCHEDULE '2'</b>		
<b>INVESTMENTS</b>		
Quoted 400 Equity Shares of IEC EDUCATION LTD.	40000.00	40000.00
	<b>40000.00</b>	<b>40000.00</b>
<b>SCHEDULE '3'</b>		
<b>CASH &amp; BANK BALANCES</b>		
Cash in Hand	6461.20	52577.20
	<b>6461.20</b>	<b>52577.20</b>
<b>SCHEDULE '4'</b>		
<b>CURRENT LIABILITIES</b>		
Other Liabilities	5515.00	5515.00
	<b>5515.00</b>	<b>5515.00</b>

## IEC LEASING & CAPITAL MANAGEMENT LTD.

### SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH,2010.

	CURRENT YEAR	PREVIOUS YEAR
<b>SCHEDULE '5'</b>		
<b>ADMINISTRATION EXPENSES</b>		
Audit Fee	5515.00	5515.00
R.O.C.Filling Charges	4500.00	1000.00
Printing & Stationery	752.00	2257.00
Photostat & Typing	325.00	1285.00
General Expenses	589.00	4395.00
Consultancy Charges	0.00	6000.00
Salary Allowances	30050.00	45600.00
Conveyance Charges	485.00	0.00
Postage & Telegram	380.00	980.00
Professional Charges	3000.00	6500.00
Staff Welfare	520.00	818.00
Hiring charges	0.00	1903.00
	<b>46116.00</b>	<b>76253.00</b>



## SCHEDULE 6. NOTES TO THE ACCOUNTS



### 1. Significant Accounting Policies

- a) The Financial Statements have been prepared in accordance with the generally accepted accounting principles.
  - b) Accrual method of accounting is followed with regard to income and expenses.
  - c) No provision for gratuity has been made by the company for the financial year as company does not have any permanent employees on its roll.
  - d) Preliminary expenses are to be written off over a period of 5 years.
  - e) Long term investments are valued at cost.
  - f) The Company's policy is to treat tax expenses for the year comprising current tax and deferred tax, in the determination of the net profit/loss for the period. However as per Para 15 to 18 of AS-22, the Company is virtually not certain of the fact, whether future taxable income will be available against which deferred tax asset can be realized. Thus the Company has not created any deferred tax asset and shall do the same when it is certain that deferred tax asset can be realized.
2. Previous years figure have been regrouped / rearranged wherever considered necessary
  3. Auditor's remuneration consist of audit fee of Rs.5515/- (Including Service Ta) (Previous year Rs. 5515/-)
  4. Additional information pursuant to para 3,4c & 4d of part-II of schedule-VI of the Companies Act 1956 is not given as the same is not applicable.
  5. Schedule No. 1 to 6 form an integral part of the accounts and have duly been authenticated.

**As per our report of even date**

**For Nath & Hari  
Chartered Accountants**

**(Kailash Hari)  
Partner  
M.No. : 82285**

Place:- Delhi.  
Date:- 20th August, 2010

**For and on Behalf of the Board**

**R.L.Gupta (Chairman)**

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





## IEC LEASING & CAPITAL MANAGEMENT LTD.

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2010.

	CURRENT YEAR (RS.)	PREVIOUS YEAR (RS.)
A) Cash flow from Operating Activities		
<b>Net Profit(Loss)Before Tax</b>	<b>-46116.00</b>	<b>-76253.00</b>
<b>Adjusted for</b>		
Miscellaneous Expenditure written off	0.00	0.00
<b>Operating Profit before working capital changes</b>	<b>-46116.00</b>	<b>-76253.00</b>
<b>Adjusted for :</b>		
Increase/(Decrease) in Trade payables	0.00	103.00
Cash generated from operation	-46116.00	-76356.00
<b>Net Cash (used) in / from Operating Activities</b>	<b>-46116.00</b>	<b>-76356.00</b>
B) Cash Flow from Investing Activities		
<b>Net Cash (used) in / from Investing Activities</b>	0.00	0.00
C) Cash Flow From Financing Activities		
<b>Net Cash(used)in/ from Financing Activities</b>	<b>0.00</b>	<b>0.00</b>
<b>Net increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>-46116.00</b>	<b>-76356.00</b>
Cash and Cash Equivalents-Opening Balance	52577.20	128933.20
<b>Cash and Cash Equivalents-Closing Balance*</b>	<b>6461.20</b>	<b>52577.20</b>
Note: 1) Previous year's figures have been regrouped/ reclassified wherever applicable.		

As per our report of even date

For Nath & Hari  
Chartered Accountants

(Kailash Hari)  
Partner  
M.No.: 82285

Place:- Delhi.  
Date:- 20th August, 2010

For and on Behalf of the Board

R.L.Gupta (Chairman)

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



## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

### INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

<b>i)</b>	<b>Registration details</b>	
	Registration No.	84423
	State Code No.	55
	Balance Sheet Date	31.03.2010
<b>ii)</b>	<b>Capital raised during the year (Amount in Thousands)</b>	
	Public Issue (Issue through the prospectus)	Nil
	Rights Issue (including share premium)	Nil
	Bonus Issue	Nil
	Private Placement	Nil
<b>iii)</b>	<b>Position of Mobilization and Deployment of Funds (Amount in Thousands)</b>	
	Total Liabilities	25.07
	Total Assets	25.07
	<b>SOURCE OF FUNDS:</b>	
	Paid-up Capital	25.07
	Reserves & Surplus	0.00
	Secured Loans	0.00
	Unsecured Loans	0.00
	<b>APPLICATION OF FUNDS :</b>	
	Net Fixed Assets	0.00
	Investments	0.40
	Deferred Tax Assets	0.00
	Net Current Assets	0.01
	Misc. Expenditure	0.00
	Accumulated Losses	24.66
<b>iv)</b>	<b>Performance of the Company (Amount in Thousands)</b>	
	Turnover (Including other income )	0.00
	Total expenditure	0.46
	Profit / (Loss) before Tax	(0.46)
	Profit / (Loss) after Tax	(0.46)
	Earning per share in Rs.	0.00
	Dividend Rate %	0.00
<b>iv)</b>	<b>Generic Name of Principal Product/Services of the Company (As per monetary Terms)</b>	
	Item code No.	N.A
	Product Description	N.A

**As per our report of even date**

For Nath & Hari  
Chartered Accountants

(Kailash Hari)  
Partner  
M.No. : 82285

Place :- Delhi  
Date :- 20th August, 2010

**For and on Behalf of the Board**

R.L Gupta (Chairman)

Brig S.V.S Chowdhry (Director)



## IEC LEARNING AND MANAGEMENT LTD.



### Director's Report

To  
The Members,

Your Directors have pleasure in presenting the Third Annual Report and Audited Accounts of your Company for the financial year ended 31st March, 2010.

#### CORPORATE RESULTS :-

	Year Ended 31/03/2010	(In Rs.) Year Ended 31/03/2009
Total Income	0.00	0.00
Administrative Expenditure	112315.00	5515.00
Miscellaneous Expenditure Written Off	35440.00	35440.00
Profit/(Loss) Before Tax	(-) 147755.00	(-) 40955.00
Provision for Tax	0.00	0.00
Profit/(Loss) After Tax	(-) 147755.00	(-) 40955.00

#### COMPANY PERFORMANCE

Since there is a general recession in the industry, the Company has not undertaken any activity during financial year i.e. 2009-10.

#### DIVIDEND

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

#### DIRECTORS

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

#### AUDITORS

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

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

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

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



## **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period.
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.
- The Directors had prepared the Annual Accounts on a going concern basis.

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

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

## **PUBLIC DEPOSIT**

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

## **SUBSIDIARY COMPANY**

The Company does not have any Subsidiary Company.

## **APPRECIATION**

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

**For and on behalf of the Board**

Place : Delhi

Dated : 20th August, 2010

**R.L. Gupta  
(Chairman)**



## AUDITOR'S REPORT



To,  
The Members of  
IEC LEARNING AND MANAGEMENT LTD.

1. We have audited the attached Balance Sheet of M/s. IEC LEARNING AND MANAGEMENT LTD as at 31st March, 2010, the Profit & Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on the financial statement based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's report) Order, 2003 (CARO) issued by the Central Government in terms of sub section (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure, a statement on the matters specified in paragraph 4 and 5 of the said order to the extent applicable to the Company.
4. Further to our comments in the Annexure referred to in paragraph (3) above, we report that :
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of the books.
  - c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
  - d) In our opinion, the Balance Sheet, Profit & Loss Accounts and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3c) of Section 211 of the Companies Act, 1956.
  - e) On the basis of written representations received from the Directors of the Company as on 31st March, 2010 and taken on record by the Board of Directors, we report that the none of the Directors is disqualified as on 31st March, 2010. from being appointed as a director of the Company in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
  - f) In Our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principals generally accepted in India.
- I. In the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2010. and:
  - II. In the case of the Profit & Loss Account of the Loss of the Company for the year ended on that date.
  - III. In the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For Nath & Hari  
Chartered Accountants

Place : Delhi

Dated : 20th August, 2010

(Kailash Hari)  
Partner  
M. No.82285

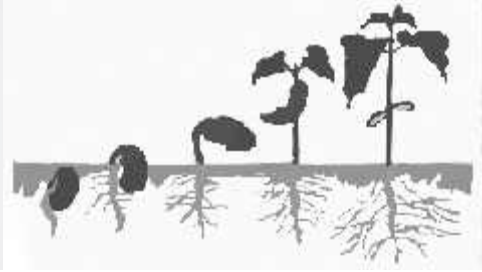


## ANNEXURE TO THE AUDITOR'S REPORT



**(Referred to in paragraph 3 of our report of even date on the accounts of IEC Learning and Management Limited for the year ended 31st March, 2010)**

- I. The Company is not having any fixed assets and hence the requirement of maintaining record of fixed assets is not applicable.
- II. The nature of the company's business/activities during the year have been such that clause (ii) of paragraph 4 is not Applicable to the company for the year.
- III. The Company has not granted or taken any loans, secured or unsecured to/from companies firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- IV. In our opinion and according to the information and explanation given to us, the internal control procedures are commensurate with the size of the Company and the nature of its business.
- V. According to the information and explanations given to us, there are no transactions that need to be entered into a register in pursuance of section 301 of the Companies Act, 1956.
- VI. The Company has not accepted any deposit from the public.
- VII. The Company has no formal internal audit department as such. However, its control procedures ensure reasonable internal checking of its financial and other records.
- VIII. Maintenance of cost records have not been prescribed by the Central Government in respect of the business carried on by the Company.
- IX.
  - a) The Company is not covered under the Provident Fund and Employees State Insurance Scheme. The company did not have any dues in respect of income tax, wealth tax, custom duty, excise duty and cess.
  - b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, custom duty and cess were in arrears, as at the last day of the financial year for a period of more six month from the date they became payable.
  - c) According to the information and explanations given to us, there are no dues of sales tax, income tax. Custom duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.
- X. The accumulated losses of the Company does not exceed fifty percent of its net worth at the end of the financial year. The Company has incurred cash losses during the current financial year and also in the immediately preceding financial year.
- XI. In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank. The Company has not issued any debentures.
- XII. 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. In our opinion, the Company is not a chit fund or a nidhi /mutual benefit fund /society. Therefore the provisions of clause 4 (xiii) of the Companies (Auditor's Report) order, 2003 are not applicable to the Company.



- XIV. In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) are not applicable to the Company.
- XV. According to the information and explanations given to us the Company has not given guarantees for loans taken by others from bank or financial institutions.
- XVI. The Company has not taken any term Loans and hence reporting on the utilization of such loans does not arise.
- XVII. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that the Company has not used funds raised on short term basis for long term investments and no long term funds have been used to finance short term assets.
- 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.
- XIX. The Company has not issued debentures and hence the question of reporting on creation of securities in respect of debentures issued does not arise.
- XX. The Company has not raised any resources by way of public issue and hence the question of reporting on the disclosure relating to end use of such resources does not arise.
- XXI. According to the information and explanations given to us , no fraud on or by the Company has been noticed or reported during the course of our audit.

**For Nath & Hari  
Chartered Accountants**

Place : Delhi

Dated : 20th August, 2010

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



# IEC LEARNING AND MANAGEMENT LTD.

## BALANCE SHEET AS AT 31ST, MARCH,2010.

	SCHEDULE	AS AT 31ST MARCH'2010	AS AT 31ST MARCH'2009
<b><u>SOURCE OF FUNDS</u></b>			
<b>Shareholders Fund</b>			
Share Capital	1	1000000.00	1000000.00
<b>TOTAL (RS.)</b>		<b>1000000.00</b>	<b>1000000.00</b>
<b><u>APPLICATION OF FUNDS</u></b>			
<b>Current Assets,Loans &amp; Advances</b>			
Cash & Bank Balances	2	704867.00	817182.00
		<b>704867.00</b>	<b>817182.00</b>
<b>Less:-Current Liabilities &amp; Provisions</b>			
Current Liabilities	3	5515.00	5515.00
		<b>5515.00</b>	<b>5515.00</b>
<b>Net Current Assets</b>		699352.00	811667.00
<b>Miscellaneous Expenditure</b>	4	106320.00	141760.00
<b>Profit &amp; Loss Account</b>		194328.00	46573.00
		<b>1000000.00</b>	<b>1000000.00</b>
<b>Notes to the Accounts</b>	7		

As per our report of even date

For Nath & Hari  
Chartered Accountants

(Kailash Hari)  
Partner  
M.No.: 82285

Place:- Delhi.  
Date:- 20th August, 2010

For and on Behalf of the Board

R.L. Gupta (Chairman)

Navin Gupta (Director)

A.K. Khare (Director)





**IEC LEARNING AND MANAGEMENT LTD.**  
**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH'2010**

SCHEDULE	CURRENT YEAR AMOUNT RS.	PREVIOUS YEAR AMOUNT (RS.)
<b>INCOME</b>		
Income from operation	0.00	0.00
	<b>0.00</b>	<b>0.00</b>
<b>EXPENDITURE</b>		
Administration Expenses <span style="float: right;">5</span>	112315.00	5515.00
Miscellaneous Expenditure Written Off <span style="float: right;">6</span>	35440.00	35440.00
<b>TOTAL (RS.)</b>	<b>147755.00</b>	<b>40955.00</b>
<b>Profit/(Loss) before tax</b>	<b>(147755.00)</b>	<b>(40955.00)</b>
Provision for Tax	0.00	0.00
Profit/(Loss) after Tax	(147755.00)	(40955.00)
Balance Profit /(Loss)brought From Previous Year	(46573.00)	5618.00
Balance Profit/(Loss)carried to Balance Sheet	(194328.00)	<b>(46573.00)</b>
<b>Notes to the Accounts</b> <span style="float: right;">7</span>		

As per our report of even date

For Nath & Hari  
Chartered Accountants

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

Place:- Delhi.  
Date:- 20th August, 2010

For and on Behalf of the Board

R.L. Gupta (Chairman)

Navin Gupta (Director)

A.K. Khare (Director)



## IEC LEARNING AND MANAGEMENT LTD.

### SCHEDULES FORMING PART OF THE BALANCE SHEET

	AS AT 31ST MARCH,2010	AS AT 31ST MARCH.2009
<b><u>SCHEDULE '1'</u></b>		
<b><u>SHARE CAPITAL</u></b>		
<b>Authorised</b> 10,00,000 Equity Shares of Rs.10/- each	10000000.00	10000000.00
<b>Issued subscribed &amp; Paid up</b> 1,00,000 Equity Shares of Rs.10/- each fully paid up	1000000.00	1000000.00
	<b>1000000.00</b>	<b>1000000.00</b>
<b><u>SCHEDULE '2'</u></b>		
<b><u>CASH &amp; BANK BALANCES</u></b>		
Cash in Hand	704867.00	817182.00
	<b>704867.00</b>	<b>817182.00</b>
<b><u>SCHEDULE '3'</u></b>		
<b><u>CURRENT LIABILITIES</u></b>		
Other Liabilities	5515.00	5515.00
	<b>5515.00</b>	<b>5515.00</b>
<b><u>SCHEDULE '4'</u></b>		
<b><u>MISCELLANEOUS EXPENDITURE</u></b> (To the extent not Written Off or adjusted)		
Preliminary Expenses	106320.00	141760.00
	<b>106320.00</b>	<b>141760.00</b>

## IEC LEARNING AND MANAGEMENT LTD.

### SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH,2010

	CURRENT YEAR AMOUNT (RS.)	PREVIOUS YEAR AMOUNT (RS.)
<b><u>SCHEDULE '5'</u></b>		
<b><u>ADMINISTRATION EXPENSES</u></b>		
Audit Fee	5515.00	5515.00
Professional Charges	3000.00	0.00
ROC Expenses	4500.00	0.00
Telephone & Fax Charges	2500.00	0.00
Conveyance Charges	3250.00	0.00
General Expenses	4520.00	0.00
Photostat & Typing	2890.00	0.00
Postage & Telegram	2550.00	0.00
Printing & Stationery	3510.00	0.00
Salary & Allowances	72000.00	0.00
Staff Welfare	3500.00	0.00
Sanitation Watch & Ward	4580.00	0.00
	<b>112315.00</b>	<b>5515.00</b>
<b><u>SCHEDULE ' 6'</u></b>		
<b><u>MISCELLANEOUS EXPENDITURE WRITTEN OFF</u></b>		
Preliminary Expenses	35440.00	35440.00
	<b>35440.00</b>	<b>35440.00</b>



## **SCHEDULE .7**

### **NOTES TO THE ACCOUNTS**

#### **1. Significant Accounting Policies**

- a) The Financial Statements have been prepared in accordance with the generally accepted accounting principles.
  - b) Accrual method of accounting is followed with regard to income and expenses.
  - c) No provision for gratuity has been made by the company for the financial year as company does not have any permanent employee on its roll.
  - d) Preliminary expenses are to be written off over a period of 5 years.
  - e) Long term investments are valued at cost.
  - f) The Company's policy is to treat tax expenses for the year comprising current tax and deferred tax, in the determination of the net profit/loss for the period. However as per Para15 to 18 of AS-22, the Company is virtually not certain of the fact, whether future taxable income will be available against which deferred tax asset can be realized. Thus the Company has not created any deferred tax asset and shall do the same when it is certain that deferred tax asset can be realized.
2. Previous years figure have been regrouped / rearranged wherever considered necessary.
  3. Auditor's remuneration consist of audit fee of Rs. 5515/- (Including Service Tax) (Previous year Rs. 5515/-)
  4. Additional information pursuant to para 3,4c & 4d of part-II of schedule-VI of the Companies Act, 1956 is not given as the same is not applicable.
  5. Schedule No. 1 to 7 form an integral part of the accounts and have duly been Authenticated.

**As per our report of even date**

**For Nath & Hari**  
**Chartered Accountants**

**(Kailash Hari )**  
**Partner**  
**M.No. : 82285**

Place: Delhi

Date : 20th August, 2010

**For and on Behalf of the Board**

**R.L. Gupta (Chairman)**

**Navin Gupta (Director)**

**A.K. Khare (Director)**



# IEC LEARNING AND MANAGEMENT LTD.

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2010.

	CURRENT YEAR (RS.)	PREVIOUS YEAR (RS.)
A) Cash flow from Operating Activities		
<b>Net Profit(Loss)Before Tax</b>	-147755.00	-40955.00
<b>Adjusted for</b>		
Miscellaneous Expenditure written off	35440.00	35440.00
<b>Operating Profit before working capital changes</b>	-112315.00	-5515.00
<b>Adjusted for :</b>		
Increase/(Decrease) in Trade payables	0.00	103.00
Cash generated from operation	-112315.00	-5618.00
<b>Net Cash (used) in / from Operating Activities</b>	-112315.00	-5618.00
B) Cash Flow from Investing Activities		
<b>Net Cash (used) in / from Investing Activities</b>	0.00	0.00
C) Cash Flow From Financing Activities		
<b>Net Cash(used)in/ from Financing Activities</b>	0.00	0.00
<b>Net increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	-112315.00	-5618.00
Cash and Cash Equivalents-Opening Balance	817182.00	822800.00
<b>Cash and Cash Equivalents-Closing Balance*</b>	704867.00	817182.00
<p>Note: 1) Previous year's figures have been regrouped/ reclassified wherever applicable.</p>		

As per our report of even date

For Nath & Hari  
Chartered Accountants

(Kailash Hari)  
Partner  
M.No.: 82285

Place:- Delhi.  
Date:- 20th August, 2010

For and on Behalf of the Board

R.L.Gupta (Chairman)

Navin Gupta (Director)

A.K. Khare (Director)



## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

### INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

<b>i)</b>	<b>Registration details</b>	
	Registration No.	173540
	State Code No.	55
	Balance Sheet Date	31.03.2010
<b>ii)</b>	<b>Capital raised during the year (Amount in Thousands)</b>	
	Public Issue (Issue through the prospectus)	Nil
	Rights Issue (including share premium)	Nil
	Bonus Issue	Nil
	Private Placement	Nil
<b>iii)</b>	<b>Position of Mobilization and Deployment of Funds (Amount in Thousands)</b>	
	Total Liabilities	10.00
	Total Assets	10.00
	<b>SOURCE OF FUNDS:</b>	
	Paid-up Capital	10.00
	Reserves & Surplus	0.00
	Secured Loans	0.00
	Unsecured Loans	0.00
	<b>APPLICATION OF FUNDS :</b>	
	Net Fixed Assets	0.00
	Investments	0.00
	Deferred Tax Assets	0.00
	Net Current Assets	6.99
	Misc. Expenditure	1.06
	Accumulated Losses	1.95
<b>iv)</b>	<b>Performance of the Company (Amount in Thousands)</b>	
	Turnover (Including other income )	0.00
	Total expenditure	1.48
	Profit / (Loss) before Tax	(1.48)
	Profit / (Loss) after Tax	(1.48)
	Earning per share in Rs.	0.00
	Dividend Rate %	0.00
<b>iv)</b>	<b>Generic Name of Principal Product/Services of the Company (As per monetary Terms)</b>	
	Item code No.	N.A
	Product Description	N.A

**As per our report of even date**

**For and on Behalf of the Board**

For Nath & Hari  
Chartered Accountants

R.L Gupta (Chairman)

(Kailash Hari)  
Partner  
M.No. : 82285

Navin Gupta (Director)

A.K. Khare (Director)

Place :- Delhi

Date :- 20th August, 2010



## IEC EDUCATION AND INFRASTRUCTURE LTD.

### Director's Report

To  
The Members,

Your Directors have pleasure in presenting the Third Annual Report and Audited Accounts of your Company for the financial year ended 31st March, 2010.

#### CORPORATE RESULTS:-

	Year ended 31/03/2010	(In Rs.) Year ended 31/03/2009
Total Income	0.00	0.00
Administrative Expenditure	113715.00	5515.00
Miscellaneous Expenditure Written Off	35440.00	35440.00
Profit/(Loss) Before Tax	(-) 149155.00	(-) 40955.00
Provision For Tax	0.00	0.00
Profit/(Loss) After Tax	(-) 149155.00	(-) 40955.00

#### COMPANY PERFORMANCE

Since there is a general recession in the industry, the Company has not undertaken any activity during financial year i.e. 2009-2010.

#### DIVIDEND

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

#### DIRECTORS

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

#### AUDITORS

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

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

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

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



## **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period.
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.
- The Directors had prepared the Annual Accounts on a going concern basis.

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

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

## **PUBLIC DEPOSIT**

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

## **SUBSIDIARY COMPANY**

The Company does not have any Subsidiary Company.

## **APPRECIATION**

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

**For and on behalf of the Board**

Place : Delhi

Dated : 20th August, 2010

**R.L. Gupta  
(Chairman)**



## AUDITOR'S REPORT



To,  
The Members of  
IEC EDUCATION AND INFRASTRUCTURE LTD.

1. We have audited the attached Balance Sheet of M/s. IEC EDUCATION AND INFRASTRUCTURE LTD as at 31st March.2010 , the Profit & Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on the financial statement based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's report) Order, 2003 (CARO) issued by the Central Government in terms of sub section (4A) of section 227 of the Companies Act,1956, we enclose in the annexure, a statement on the matters specified in paragraph 4 and 5 of the said order to the extent applicable to the Company.
4. Further to our comments in the Annexure referred to in paragraph (3) above, we report that :
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of the books.
  - c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
  - d) In our opinion, the Balance Sheet, Profit & Loss Accounts and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3 c) of Section 211 of the Companies Act, 1956.
  - e) On the basis of written representations received from the Directors of the Company as on 31st March, 2010 and taken on record by the Board of Directors, we report that the none of the Directors is disqualified as on 31st March, 2010. from being appointed as a director of the Company in terms of clause (g) of sub section (I) of section 274 of the Companies Act,1956.
  - f) In Our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon, give the information required by the Companies Act,1956 in the manner so required and give a true and fair view in conformity with the accounting principals generally accepted in India.
  - I. In the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2010. and:
    - II. In the case of the Profit & Loss Account, of the Loss of the Company for the year ended on that date.
    - III. In the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For NATH & HARI  
Chartered Accountants

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

Place : Delhi  
Dated : 20th August, 2010





## ANNEXURE TO THE AUDITOR'S REPORT



**(Referred to in paragraph 3 of our report of even date on the accounts of IEC Education And Infrastructure Limited for the year ended 31st March, 2010)**

- I. The Company is not having any fixed assets and hence the requirement of maintaining record of fixed assets is not applicable.
- II. The nature of the company's business/activities during the year have been such that clause (ii) of paragraph 4 is not Applicable to the company for the year.
- III. The Company has not granted or taken any loans, secured or unsecured to/from companies firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- IV. In our opinion and according to the information and explanation given to us, the internal control procedures are commensurate with the size of the Company and the nature of its business.
- V. According to the information and explanations given to us, there are no transactions that need to be entered into a register in pursuance of section 301 of the Companies Act, 1956.
- VI. The Company has not accepted any deposit from the public.
- VII. The Company has no formal internal audit department as such. However, its control procedures ensure reasonable internal checking of its financial and other records.
- VIII. Maintenance of cost records have not been prescribed by the Central Government in respect of the business carried on by the Company.
- IX.
  - a) The Company is not covered under the Provident Fund and Employees State Insurance Scheme. The company did not have any dues in respect of income tax, wealth tax, custom duty, excise duty and cess.
  - b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, custom duty and cess were in arrears, as at the last day of the financial year for a period of more six month from the date they became payable.
  - c) According to the information and explanations given to us, there are no dues of sales tax, income tax. Custom duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.
- X. The accumulated losses of the Company does not exceed fifty percent of its net worth at the end of the financial year. The Company has incurred cash losses during the current financial year and also in the immediately preceding financial year.
- XI. In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank. The Company has not issued any debentures.
- XII. 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. In our opinion, the Company is not a chit fund or a nidhi /mutual benefit fund /society. Therefore the provisions of clause 4 (xiii) of the Companies (Auditor's Report) order, 2003 are not applicable to the Company.



- XIV. In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) are not applicable to the Company.
- XV. According to the information and explanations given to us the Company has not given guarantees for loans taken by others from bank or financial institutions.
- XVI. The Company has not taken any term Loans and hence reporting on the utilization of such loans does not arise.
- XVII. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that the Company has not used funds raised on short term basis for long term investments and no long term funds have been used to finance short term assets.
- 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.
- XIX. The Company has not issued debentures and hence the question of reporting on creation of securities in respect of debentures issued does not arise.
- XX. The Company has not raised any resources by way of public issue and hence the question of reporting on the disclosure relating to end use of such resources does not arise.
- XXI. According to the information and explanations given to us , no fraud on or by the Company has been noticed or reported during the course of our audit.

**For Nath & Hari  
Chartered Accountants**

Place:- Delhi.

Date:- 20th August, 2010

**Kailash Hari  
Partner  
M. No.82285**



**IEC EDUCATION AND INFRASTRUCTURE LTD.**  
**BALANCE SHEET AS AT 31ST, MARCH,2010**

SCHEDULE	AS AT 31ST MARCH'2010	AS AT 31ST MARCH,2009
<b><u>SOURCE OF FUNDS</u></b>		
<b>Shareholders Fund</b>		
Share Capital	1000000.00	1000000.00
<b>TOTAL (RS.)</b>	<b>1000000.00</b>	<b>1000000.00</b>
<b><u>APPLICATION OF FUNDS</u></b>		
<b>Current Assets,Loans &amp; Advances</b>		
Cash & Bank Balances	703467.00	817182.00
	<b>703467.00</b>	<b>817182.00</b>
<b>Less:-Current Liabilities &amp; Provisions</b>		
Current Liabilities	5515.00	5515.00
	<b>5515.00</b>	<b>5515.00</b>
<b>Net Current Assets</b>	697952.00	811667.00
<b>Miscellaneous Expenditure</b>	106320.00	141760.00
<b>Profit &amp; Loss Account</b>	195728.00	46573.00
	<b>1000000.00</b>	<b>1000000.00</b>
<b>Notes to the Accounts</b>	<b>7</b>	

**As per our report of even date**

For Nath & Hari  
Chartered Accountants

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

Place:- Delhi.  
Date:- 20th August, 2010

**For and on Behalf of the Board**

R.L.Gupta (Chairman)

Navin Gupta (Director)

A.K.Khare (Director)



**IEC EDUCATION AND INFRASTRUCTURE LTD.**  
**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH,2010**

	SCHEDULE	CURRENT YEAR AMOUNT (RS.)	PREVIOUS YEAR AMOUNT (RS.)
<b>INCOME</b>			
Income from operation		0.00	0.00
		<b>0.00</b>	<b>0.00</b>
<b>EXPENDITURE</b>			
Administration Expenses	5	113715.00	5515.00
Miscellaneous Expenditure Written Off	6	35440.00	35440.00
<b>TOTAL (RS.)</b>		<b>149155.00</b>	<b>40955.00</b>
<b>Profit/(Loss) before tax</b>		<b>(149155.00)</b>	<b>(40955.00)</b>
Provision for Tax		0.00	0.00
Profit/(Loss) after Tax		(149155.00)	(40955.00)
Balance Profit/(Loss) brought from previous year		(46573.00)	(5618.00)
Balance profit/(loss)carried to Balance Sheet		<b>(195728.00)</b>	<b>(46573.00)</b>
<b>Notes to the Accounts</b>	<b>7</b>		

**As per our report of even date**

For Nath & Hari  
Chartered Accountants

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

Place:- Delhi.  
Date:- 20th August, 2010

**For and on Behalf of the Board**

R.L.Gupta (Chairman)

Navin Gupta (Director)

A.K.Khare (Director)



**IEC EDUCATION AND INFRASTRUCTURE LTD.**  
**SCHEDULES FORMING PART OF THE BALANCE SHEET**

	AS AT 31ST MARCH,2010	AS AT 31ST MARCH,2009
<b>SCHEDULE '1'</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised</b>		
10,00,000 Equity Shares of Rs.10/- each	10000000.00	10000000.00
<b>Issued subscribed &amp; Paid up</b>		
1,00,000 Equity Shares of Rs.10/- each fully paid up	1000000.00	1000000.00
	<b>1000000.00</b>	<b>1000000.00</b>
<b>SCHEDULE '2'</b>		
<b>CASH &amp; BANK BALANCES</b>		
Cash in Hand	703467.00	817182.00
	<b>703467.00</b>	<b>817182.00</b>
<b>SCHEDULE '3'</b>		
<b>CURRENT LIABILITIES</b>		
Other Liabilities	5515.00	5515.00
	<b>5515.00</b>	<b>5515.00</b>
<b>SCHEDULE '4'</b>		
<b>MISCELLANEOUS EXPENDITURE</b>		
(To the extent not Written off or adjusted )		
Preliminary Expenses	106320.00	141760.00
	<b>106320.00</b>	<b>141760.00</b>

**IEC EDUCATION AND INFRASTRUCTURE LTD.**  
**SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR  
THE YEAR ENDED 31ST MARCH,2010.**

	CURRENT YEAR AMOUNT (RS.)	PREVIOUS YEAR AMOUNT (RS.)
<b>SCHEDULE '5'</b>		
<b>ADMINISTRATION EXPENSES</b>		
Audit Fee	5515.00	5515.00
Telephone & Fax Charges	4520.00	0.00
Conveyance Charges	3500.00	0.00
General Expenses	4580.00	0.00
Photostat & Typing	3250.00	0.00
Postage & Telegram	2300.00	0.00
Printing & Stationery	4500.00	0.00
Professional Charges	3000.00	0.00
ROC Expenses	4500.00	0.00
Salary & Allowances	72000.00	0.00
Staff Welfare	2850.00	0.00
Sanitation Watch & Ward	3200.00	0.00
	<b>113715.00</b>	<b>5515.00</b>
<b>SCHEDULE '6'</b>		
<b>MISCELLANEOUS EXPENDITURE WRITTEN OFF</b>		
Preliminary Expenses	35440.00	35440.00
	<b>35440.00</b>	<b>35440.00</b>



## SCHEDULE .7



### NOTES TO THE ACCOUNTS

#### 1. Significant Accounting Policies

- a) The Financial Statements have been prepared in accordance with the generally accepted accounting principles.
  - b) Accrual method of accounting is followed with regard to income and expenses.
  - c) No provision for gratuity has been made by the company for the financial year as company does not have any permanent employee on its roll.
  - d) Preliminary expenses are to be written off over a period of 5 years.
  - e) Long term investments are valued at cost.
  - f) The Company's policy is to treat tax expenses for the year comprising current tax and deferred tax, in the determination of the net profit/loss for the period. However as per Para 15 to 18 of AS-22, the Company is virtually not certain of the fact, whether future taxable income will be available against which deferred tax asset can be realized. Thus the Company has not created any deferred tax asset and shall do the same when it is certain that deferred tax asset can be realized.
2. Previous years figure have been regrouped / rearranged wherever considered necessary.
  3. Auditor's remuneration consist of audit fee of Rs. 5515/- (Including Service Tax) (Previous year Rs. 5515/-)
  4. Additional information pursuant to para 3,4c & 4d of part-II of schedule-VI of the Companies Act, 1956 is not given as the same is not applicable.
  5. Schedule No. 1 to 7 form an integral part of the accounts and have duly been Authenticated.

#### As per our report of even date

For Nath & Hari  
Chartered Accountants

(Kailash Hari)  
Partner  
M.No. : 82285

Place:- Delhi.  
Date:- 20th August, 2010

#### For and on Behalf of the Board

R.L.Gupta (Chairman)

Navin Gupta (Director)

A.K.Khare (Director)



# IEC EDUCATION & INFRASTRUCTURE LTD

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2010.

	CURRENT YEAR (RS.)	PREVIOUS YEAR (RS.)
A) Cash flow from Operating Activities		
<b>Net Profit(Loss)Before Tax</b>	<b>-149155.00</b>	<b>-40955.00</b>
<b>Adjusted for</b>		
Miscellaneous Expenditure written off	35440.00	35440.00
<b>Operating Profit before working capital changes</b>	<b>-113715.00</b>	<b>-5515.00</b>
<b>Adjusted for :</b>		
Increase/(Decrease) in Trade payables	0.00	103.00
Cash generated from operation	-113715.00	-5618.00
<b>Net Cash (used) in / from Operating Activities</b>	<b>-113715.00</b>	<b>-5618.00</b>
B) Cash Flow from Investing Activities		
<b>Net Cash (used) in / from Investing Activities</b>	<b>0.00</b>	<b>0.00</b>
C) Cash Flow From Financing Activities		
<b>Net Cash(used)in/ from Financing Activities</b>	<b>0.00</b>	<b>0.00</b>
<b>Net increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>-113715.00</b>	<b>-5618.00</b>
Cash and Cash Equivalents-Opening Balance	817182.00	822800.00
<b>Cash and Cash Equivalents-Closing Balance*</b>	<b>703467.00</b>	<b>817182.00</b>
Note: 1) Previous year's figures have been regrouped/ reclassified wherever applicable.		

As per our report of even date

For Nath & Hari  
Chartered Accountants

(Kailash Hari)  
Partner  
M.No.: 82285

Place:- Delhi.  
Date:- 20th August, 2010

For and on Behalf of the Board

R.L.Gupta (Chairman)

Navin Gupta (Director)

A.K. Khare (Director)



## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

### INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

<b>i)</b>	<b>Registration details</b>	
	Registration No.	173513
	State Code No.	55
	Balance Sheet Date	31.03.2010
<b>ii)</b>	<b>Capital raised during the year (Amount in Thousands)</b>	
	Public Issue (Issue through the prospectus)	Nil
	Rights Issue (including share premium)	Nil
	Bonus Issue	Nil
	Private Placement	Nil
<b>iii)</b>	<b>Position of Mobilization and Deployment of Funds (Amount in Thousands)</b>	
	Total Liabilities	10.00
	Total Assets	10.00
	<b>SOURCE OF FUNDS:</b>	
	Paid-up Capital	10.00
	Reserves & Surplus	0.00
	Secured Loans	0.00
	Unsecured Loans	0.00
	<b>APPLICATION OF FUNDS :</b>	
	Net Fixed Assets	0.00
	Investments	0.00
	Deferred Tax Assets	0.00
	Net Current Assets	6.98
	Misc. Expenditure	1.06
	Accumulated Losses	1.96
<b>iv)</b>	<b>Performance of the Company (Amount in Thousands)</b>	
	Turnover (Including other income )	0.00
	Total expenditure	1.49
	Profit / (Loss) before Tax	(1.49)
	Profit / (Loss) after Tax	(1.49)
	Earning per share in Rs.	0.00
	Dividend Rate %	0.00
<b>iv)</b>	<b>Generic Name of Principal Product/Services of the Company (As per monetary Terms)</b>	
	Item code No.	N.A
	Product Description	N.A

**As per our report of even date**

**For and on Behalf of the Board**

For Nath & Hari  
Chartered Accountants

R.L Gupta (Chairman)

(Kailash Hari)  
Partner  
M.No. : 82285

Navin Gupta (Director)

A.K. Khare (Director)

Place :- Delhi  
Date :- 20th August, 2010





## AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

### TO THE BOARD OF DIRECTORS OF

IEC EDUCATION LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF IEC EDUCATION LIMITED AND ITS SUBSIDIARIES

- 1) We have examined the attached Consolidated Balance Sheet of IEC Education Ltd ("the Company") and its subsidiaries which together constitute "the Group" as at 31st March, 2010, the Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with the auditing standards generally accepted in India. 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 the Management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.
- 3) We report that the consolidated financial statements have been prepared by the Company, in accordance with the requirements of Accounting Standard 21 (Consolidated financial statements) and on the basis of the separate audited financial statements of the Company and the separate audited financial statements of subsidiaries, which have been included in the consolidated financial statements.
- 4) On the basis of the information and explanations given to us and on the consideration of the separate audit report on individual audited financial statements of the Company and its three Subsidiaries, in our opinion, the consolidated financial statements together with the notes thereon give a true and fair view in conformity with the accounting principles generally accepted in India :
  - I. In the case of the consolidated balance sheet, of the state of affairs of the Group as at 31st March, 2010;
  - II. In the case of the consolidated profit & loss account, of the Profit for the year ended on that date ; and
  - III. In the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

For NATH & HARI  
Chartered Accountants

Place :- Delhi

Date :- 23rd August, 2010

Kailash Hari  
(Partner)  
M.No.- 82285



## IEC EDUCATION LTD.

### CONSOLIDATED BALANCE SHEET AS AT 31st MARCH,2010

SCHEDULE	AS AT 31st MARCH'2010 (RS.)		AS AT 31st MARCH'2009 (RS.)	
<b>SOURCES OF FUNDS</b>				
<b>Shareholders Fund</b>				
Share Capital	1	152560000.00		132560000.00
Reserves & Surplus	2	165959629.32	318519629.32	100827529.28
<b>Loan Funds</b>				
Secured Loans	3	2867977.60		4277417.06
Unsecured Loans	4	19551389.82	22419367.42	18998237.82
Minority Interest			788967.61	934582.63
<b>TOTAL (RS.)</b>		<b>341727964.35</b>		<b>257597766.79</b>
<b>APPLICATION OF FUNDS</b>				
<b>Fixed Assets</b>				
Gross Block	5	75086068.52		110500953.94
Less:-Depreciation		18182229.12		47927379.81
Net Block			56903839.40	62573574.13
<b>Investment</b>	6		24.90	24.90
<b>Deferred Tax Assets (Net)</b>			2536988.80	2128727.80
<b>Current Assets,Loans &amp; Advances</b>				
Sundry Debtors	7	99988204.29		93334874.54
Cash & Bank Balances	8	47025607.92		36441862.88
Loans & Advances	9	140811054.82		104527638.98
		287824867.03		234304376.40
<b>Less:-Current Liabilities &amp; Provisions</b>				
Current Liabilities	10	5729601.78		41683632.44
Provisions	11	228653.00		320612.00
		5958254.78		42004244.44
<b>Net Current Assets</b>			281866612.25	192300131.96
<b>Miscellaneous Expenditure</b>	12		420499.00	595308.00
			<b>341727964.35</b>	<b>257597766.79</b>
<b>Accounting Policies and Notes on Accounts</b>	20			

**As per our report of even date**

For Nath & Hari  
Chartered Accountants

(Kailash Hari)  
Partner

**M.No.82285**

Place:- Delhi.

Date:- 23rd August,2010

**For and on Behalf of the Board**

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

H.P Singh (Director)  
H.R Issarani (Director)  
A.K Khare (Director)  
J.K Bhola (Director)  
Shrey Rustagi (Company Secretary)  
Ashutosh K. Jha (Accounts Manager)



## IEC EDUCATION LTD.

### CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH'2010.

	SCHEDULE	CURRENT YEAR AMOUNT (RS.)	PREVIOUS YEAR AMOUNT (RS.)
<b><u>INCOME</u></b>			
Income from Operation	13	87512349.50	91607373.00
Other Income	14	2719486.84	3190785.61
		90231836.34	94798158.61
<b><u>EXPENDITURE</u></b>			
Training & Education Expenses	15	28916769.00	50138989.50
Personnel Expenses	16	1959075.00	4164697.00
Administrative & Other Expenses	17	28846399.28	13627659.19
Interest & Finance Charges	18	2006541.47	1588312.90
Depreciation	5	5875954.57	8101403.27
Miscellaneous Expenditure Written Off	19	174809.00	138596.00
		67779548.32	77759657.86
Profit/(Loss) before Taxes		22452288.02	17038500.75
Provision for Tax			
- Fringe Benefit Tax		0.00	(104976.00)
- Current Tax		(3874064.00)	(1960870.50)
-Deferred Tax		408261.00	911427.80
<b>Profit/(Loss) after Tax</b>		<b>18986485.02</b>	<b>15884082.05</b>
Minority Interest		145615.02	52417.37
Balance Profit/(loss) brought forward from Previous year		13581578.62	(143618728.71)
Balance Transferred from Capital Reserve		0.00	5282000.00
Balance Transferred from Share Premium		0.00	135981807.91
Balance Profit/(Loss) carried to Balance Sheet		<b>32713678.66</b>	<b>13581578.62</b>
<b>Basic Earning Per Equity Share(in Rs.)</b>		<b>1.33</b>	<b>1.41</b>
<b>Diluted Earning Per Equity Share (in Rs.)</b>		<b>1.26</b>	<b>1.37</b>
<b>Accounting Policies and Notes on Accounts</b>	<b>20</b>		

As per our report of even date

For Nath & Hari  
Chartered Accountants

(Kailash Hari)  
Partner

**M.No.82285**

For and on Behalf of the Board

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

H.P Singh (Director)  
H.R Issarani (Director)  
A.K Khare (Director)  
J.K Bhola (Director)  
Shrey Rustagi (Company Secretary)  
Ashutosh K. Jha (Accounts Manager)

Place:- Delhi.

Date:- 23rd August,2010



## IEC EDUCATION LTD.

### SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31st MARCH'2010.

	AS AT 31st MARCH'2010 (RS.)	AS AT 31st MARCH'2009 (RS.)
<b>SCHEDULE '1'</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised</b>		
2,10,00,000 Equity Shares of Rs.10/- each	210000000.00	210000000.00
<b>Issued subscribed &amp; Paid up</b>		
15260000 Equity Shares of Rs. 10/- Each Fully Paid (Previous Year 13256000 Equity Shares)	152560000.00	132560000.00
2000000 Equity Shares of Rs.10/- each fully paid issued up to the holders of Share Warrants upon conversion of part of issued share warrants into fully paid Shares. ( Previous Year 3000000 Equity Shares)		
	<b>152560000.00</b>	<b>132560000.00</b>
<b>SCHEDULE '2'</b>		
<b>RESERVES &amp; SURPLUS</b>		
<b>Capital Reserve</b>		
As per last Balance Sheet	0.00	5282000.00
Add:- Addition on forfeiture of fully convertible share warrants (partly paid)	6000000.00	
Less:- Adjustments of Dr.Balance in Profit & Loss Accounts Pursuant to the Scheme of Arrangement.	0.00	0.00
	6000000.00	5282000.00
<b>Share Premium</b>		
As per last Balance Sheet	65012192.09	140994000.00
Add:- Amount arising on conversion of Share Warrants	40000000.00	60000000.00
	105012192.09	200994000.00
Less:- Adjustments of Dr.Balance in Profit & Loss Accounts Pursuant to the Scheme of Arrangement.	0.00	0.00
	105012192.09	135981807.91
<b>General Reserve</b>		
As per last Balance Sheet	22233758.57	41049615.00
Add:- Adjustment pursuant to the Scheme of Arrangement	0.00	3711874.57
	22233758.57	44761489.57
Less :- Deficit on amalgamation	0.00	22527731.00
	22233758.57	22233758.57
Balance in Profit & Loss Accounts	32713678.66	13581578.62
	<b>165959629.32</b>	<b>100827529.28</b>
<b>SCHEDULE '3'</b>		
<b>SECURED LOANS</b>		
<b>(a) Short Term Loan</b>		
Term Loan from Bank (Hyp.of Computers) (Refer Note No.1. given below)	241181.96	241181.96
<b>(b) Under Vehicle Finance Scheme</b>		
(Refer Note No.2. given below)	2626795.64	4036235.10
	<b>2867977.60</b>	<b>4277417.06</b>
Note :-1) Short Term Loan from ICICI Bank is secured by hypothecation of Computers. 2) Term Loans From ICICI Bank and TATA Capital Ltd under Vehicle Finance Scheme are Secured by exclusive charge by way of hypothecation of vehicles purchased under the said scheme.		
<b>SCHEDULE '4'</b>		
<b>Unsecured Loans</b>		
From Directors	2566842.31	1501842.31
From Others	16984547.51	17496395.51
	<b>19551389.82</b>	<b>18998237.82</b>



## IEC EDUCATION LTD.

SCHEDULE FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31st MARCH, 2010

### SCHEDULE '5'

#### Fixed Assets

DESCRIPTION	GROSS BLOCK As at 01.04.2009	Addition	Deduction	As at 31.03.2010	DEPRECIATION AND AMORTIZATION			NET BLOCK		
					Up to 31.03.2009	For the Year	Deduction Adjustment	Up to 31.03.2010	As at 31.03.2010	As at 31.03.2009
Goodwill	1000000.00	0.00	0.00	1000000.00	1000000.00	0.00	0.00	1000000.00	0.00	0.00
Land --Leasehold	5001390.00	0.00	0.00	5001390.00	0.00	0.00	0.00	0.00	5001390.00	5001390.00
Building	32254234.50	0.00	0.00	32254234.50	3238434.28	525744.02	0.00	3764178.30	28490056.20	29015800.22
Plant & Machinery	38171641.66	2550345.00	31752610.00	8969376.66	32445167.23	3278236.17	31199265.73	4524137.67	4445238.99	5726474.43
Office Equipment	5925200.00	0.00	1235650.00	4689550.00	2186693.12	252180.71	375386.06	2063487.77	2626062.23	3738506.88
Furniture & Fixtures	21644421.73	3980990.00	8957960.42	16667451.31	8703032.83	1144613.66	4046453.47	5801193.02	10866258.29	12941388.90
Vehicle	6504066.05	0.00	0.00	6504066.05	354052.35	675180.01	0.00	1029232.36	5474833.69	6150013.70
<b>TOTAL</b>	<b>110500953.94</b>	<b>6531335.00</b>	<b>41946220.42</b>	<b>75086068.52</b>	<b>47927379.81</b>	<b>5875954.57</b>	<b>35621105.26</b>	<b>18182229.12</b>	<b>56903839.40</b>	<b>62573574.13</b>

PreviousYear	97312170.39	13188783.55	0.00	110500953.94	39825976.54	8101403.27	0.00	47927379.81	62573574.13	57486193.85
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## IEC EDUCATION LTD.

### SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31st MARCH, 2010

	AS AT 31st MARCH'2010 (RS.)	AS AT 31st MARCH'2009 (RS.)
<b>SCHEDULE '6'</b>		
<b>INVESTMENTS</b>		
(Non-Trade and long Term) at Cost		
<u>Unquoted (Fully paid up Equity Shares )</u>		
IEC Infotech SDN. BHD.		
2 Shares of Malaysian Ringetts one each(Rs.value 12.45/- per Ringett)	24.90	24.90
<u>in Subsidiary Companies</u>		
	<b>24.90</b>	<b>24.90</b>
<b>SCHEDULE '7'</b>		
<b>SUNDRY DEBTORS</b>		
(Unsecured)		
Debt outstanding for a period exceeding six months		
Considered Good	95869573.09	65423412.04
Other Debts, considered good	4118631.20	27911462.50
	<b>99988204.29</b>	<b>93334874.54</b>
<b>SCHEDULE '8'</b>		
<b>CASH &amp; BANK BALANCES</b>		
Cash in Hand	4209907.64	2919449.35
Balance with Scheduled Banks		
on Current Account	39412956.81	4173492.00
Fixed Deposit (including Margin Money of Rs.21,287.47/- (previous year Rs.77,41,374.14/-)	3402743.47	29348921.53
	<b>47025607.92</b>	<b>36441862.88</b>
<b>SCHEDULE '9'</b>		
<b>LOANS &amp; ADVANCES</b>		
<u>Unsecured and Considered Good</u>		
Advances Recoverable in Cash or in kind		
or for value to be received	28994819.40	40930248.45
Security & Deposits with others	111482881.42	63292834.79
Advance Income Tax (Net of Provision for Tax)	333354.00	304555.74
	<b>140811054.82</b>	<b>104527638.98</b>
<b>SCHEDULE '10'</b>		
<b>CURRENT LIABILITIES</b>		
<b>Sundry Creditors</b>		
Due to Micro, Small and Medium Enterprises	0.00	0.00
(To the extent identified with available Information )		
Others	1770639.50	3928956.05
Other Liabilities	3958962.28	25284676.39
Advance received towards issue of convertible warrants	0.00	12470000.00
	<b>5729601.78</b>	<b>41683632.44</b>



## IEC EDUCATION LTD.

### SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31st MARCH, 2010

	AS AT 31st MARCH'2010 (RS.)	AS AT 31st MARCH'2009 (RS.)
<b>SCHEDULE '11'</b>		
<b>PROVISIONS</b>		
For Fringe Benefit Tax	0.00	97769.00
For Retirement Benefits	228653.00	222843.00
	<b>228653.00</b>	<b>320612.00</b>
<b>SCHEDULE '12'</b>		
<b>MISCELLANEOUS EXPENDITURE</b>		
(To the extent not written off or adjusted)		
Preliiminary Expenses	212640.00	283520.00
Deferred Revenue Expenditure	207859.00	311788.00
	<b>420499.00</b>	<b>595308.00</b>

### SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH'2010.

	CURRENT YEAR	PREVIOUS YEAR
<b>SCHEDULE '13'</b>		
<b>INCOME FROM OPERATION</b>		
Franchise Royalty	6990500.00	6268520.00
Income From College	2500000.00	2500000.00
Income From Personality Dev. Programme (P.D.P)	74618500.00	15500000.00
Training & Education Income	3403349.50	67338853.00
	<b>87512349.50</b>	<b>91607373.00</b>
<b>SCHEDULE '14'</b>		
<b>OTHER INCOME</b>		
Interest ( Gross on others (TDS Rs.59135.00) (Previous Year Rs. 325031.00)	1123397.84	1615439.38
Miscellaneous Income	1596089.00	1575346.23
	<b>2719486.84</b>	<b>3190785.61</b>
<b>SCHEDULE '15'</b>		
<b>TRAINING &amp; EDUCATION EXPENSES</b>		
Consultancy Charges	1310978.00	3039767.00
Course Execution Charges	9587418.00	40585745.50
Franchise Expenses	5086500.00	4391600.00
P.D.P Expenses	12931873.00	2121877.00
	<b>28916769.00</b>	<b>50138989.50</b>



## IEC EDUCATION LTD.

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31st MARCH,2010

	CURRENT YEAR AMOUNT(RS.)	PREVIOUS YEAR AMOUNT(RS.)
<b>SCHEDULE '16'</b>		
<b><u>PERSONNEL EXPENSES</u></b>		
Contribution to Provident Fund & Others Fund	84048.00	50437.00
Provident Fund & Other Fund Penalty & Damaged	0.00	1600000.00
Salaries, Bonus. Gratuity & allowances	1589786.00	2353704.00
Welfare Expenses	285241.00	160556.00
	<b>1959075.00</b>	<b>4164697.00</b>
<b>SCHEDULE '17'</b>		
<b><u>ADMINISTRATIVE &amp; OTHER EXPENSES</u></b>		
Advertisement & Publicity	655772.00	404034.00
Auditors' Remuneration	286693.00	284734.00
Bad Debts Written Off	4586694.12	1155326.00
Bus & Taxi Hire Charges	375850.00	545850.00
Conference & Seminar	974150.00	585000.00
Director's Remuneration	2750000.00	1947000.00
Directors sitting Fee	37500.00	70750.00
General Meetings..	213487.00	198418.00
Insurance exp.	1569.00	0.00
Ignou Expenses	587700.00	343550.00
Inst.of Hospitality Management Expenses	389720.00	256270.00
Legal Expenses	448087.00	209612.00
Loss on Sale of Fixed Assets	6325115.16	0.00
Miscellaneous Expenses	2528876.00	2229896.19
Photography Expenses	452800.00	121535.00
Postage & Telephone	326915.00	362716.00
Printing & Stationery	968822.00	730112.00
Rent,Rates & Taxes	568149.00	1505393.00
Repair & Maintenance-Building	1517350.00	351550.00
Repair & Maintenance-Others	747730.00	817141.00
Repair & Maintenance-Plant & Machinery.	420754.00	201499.00
Sanitation Watch & Ward	654432.00	207720.00
Share Transfer Expenses	66180.00	67210.00
Students Welfare	643760.00	185000.00
Travelling & Conveyance	1326230.00	116540.00
Vehicle Running & Maintenance	816782.00	185800.00
Water & Electricity	175282.00	545003.00
	<b>28846399.28</b>	<b>13627659.19</b>
<b>SCHEDULE '18'</b>		
<b><u>INTEREST &amp; FINANCE CHARGES</u></b>		
Bank Charges	43794.79	108232.77
Interest on others	1962746.68	1480080.13
	<b>2006541.47</b>	<b>1588312.90</b>
<b>SCHEDULE '19'</b>		
<b><u>MISCELLANEOUS EXPENDITURE WRITTEN OFF</u></b>		
Public Issue Expenses	70880.00	70880.00
Deferred Revenue Expenditure	103929.00	67716.00
	<b>174809.00</b>	<b>138596.00</b>





## SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### SCHEDULE '20'

#### ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

##### Significant Accounting Policies

#### 1. System of Accounting

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

#### 2) Principles of Consolidation :

- a) The Consolidated Financial Statements (CFS) are prepared in accordance with Accounting Standard on "Consolidated Financial Statements" (AS -21) issued by the Institute of Chartered Accountants of India. The CFS are prepared using uniform accounting policies, in accordance with the generally accepted accounting policies.
- (b) The Consolidated Financial Statements (CFS) comprise the financial statements of IEC Education Ltd, its Subsidiaries as at 31/03/2010, which are as under :

Name of the Company	Country of Incorporation	% Shareholding and Voting Power
(I) IEC Leasing & Capital Management Ltd	India	99.72 %
(II) IEC Learning and Managements Ltd	India	51 .00%
(III) IEC Education and Infrastructure Ltd	India	51.00 %

- (c) The effect of intra group transactions between the Company and its subsidiaries are eliminated on consideration.
- 3) Other Significant Accounting Policies These are set out in the notes to accounts under the "Significant Accounting Policies" of the financial statements of the Company and IEC Leasing & Capital Management Ltd, IEC Learning and Managements Ltd and IEC Education and Infrastructure Ltd.

#### OTHER NOTES TO ACCOUNTS

- 4) These are set out in the notes to accounts of the financial statements of the Company and IEC Leasing & Capital Management Ltd, IEC Learning and Managements Ltd and IEC Education and Infrastructure Ltd.

#### As per our report of even date

For Nath & Hari  
Chartered Accountants  
  
(Kailash Hari)  
Partner  
M.No. : 82285

#### For and on behalf of the Board

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

H.P Singh (Director)  
H.R Issarani (Director)  
A.K Khare (Director)  
J.K Bhola (Director)  
Shrey Rustagi (Company Secretary)  
Ashutosh K. Jha (Accounts Manager)

Place :- Delhi

Date :- 23rd August, 2010



## IEC EDUCATION LTD.

### CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH,2010.

	CURRENT YEAR (RS.)	PREVIOUS YEAR (RS.)
<b>A) Cash flow from Operating Activities</b>		
<b>Net Profit Before Tax</b>	<b>22452288.02</b>	<b>17038500.75</b>
<b>Adjusted for :</b>		
Depreciation	5875954.57	8101403.27
Miscellaneous Expenditure written off	174809.00	138596.00
Bad Debts Written Off	4586694.12	1155326.00
Interest Paid	1962746.68	1480080.13
Interest Received	(1123397.84)	(1615439.38)
Loss on sale of fixed assets	6325115.16	0.00
<b>Operating Profit before working capital changes</b>	<b>40254209.71</b>	<b>26298466.77</b>
<b>Adjusted for :</b>		
(Increase)/Decrease in Trade and other receivables	(47523439.71)	(70113009.91)
Increase/(Decrease) in Trade payables	(27450053.66)	(47510437.39)
Cash generated from operation	(34719283.66)	(91324980.53)
<b>Net Cash (used) in / from Operating Activities</b>	<b>(34719283.66)</b>	<b>(91324980.53)</b>
<b>B) Cash Flow from Investing Activities</b>		
Purchase of fixed assets	(6531335.00)	(12286098.55)
Interest received	1123397.84	1615439.38
<b>Net Cash (used) in / from Investing Activities</b>	<b>(5407937.16)</b>	<b>(10670659.17)</b>
<b>C) Cash Flow From Financing Activities</b>		
Proceeds of Long Term and other borrowings	553152.00	4036235.10
Repayment of Long Term and other borrowings	(1409439.46)	(5912103.63)
Issue of Share Capital	20000000.00	30784570.16
Increase in Capital reserve	6000000.00	0.00
Proceeds of convertible Shares Warrants	(12470000.00)	12470000.00
Share Premium	40000000.00	60000000.00
Interest Paid	(1962746.68)	(1480080.13)
<b>Net Cash(used)in/ from Financing Activities</b>	<b>50710965.86</b>	<b>99898621.50</b>
<b>Net increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>10583745.04</b>	<b>(2097018.20)</b>
Cash and Cash Equivalents-Opening Balance	36441862.88	38538881.08
Cash and Cash Equivalents-Closing Balance*	<b>47025607.92</b>	<b>36441862.88</b>
Note: 1) Cash flow statement has been prepared under the indirect method as set out in Accounting Standard-3 Notified by the Companies act,1956. 2) Cash and cash equivalents include Rs.21287.47 (Previous Year Rs. 7741374.14) on account of margin money deposits which are not available for use by the Company. 3) Previous year's figures regrouped/ recast wherever necessary.		

**As per our report of even date**

For Nath & Hari  
Chartered Accountants

(Kailash Hari)  
Partner  
M.No. : 82285

Place:- Delhi.  
Date :- 23rd August, 2010

**For and on Behalf of the Board**

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

H.P Singh (Director)  
H.R Issarani (Director)  
A.K Khare (Director)  
J.K.Bhola (Director)  
Shrey Rustagi (Company Secretary)  
Ashutosh K. Jha (Accounts Manager)

## IEC EDUCATION LTD.

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

### FORM OF PROXY

I/We \_\_\_\_\_ of \_\_\_\_\_

\_\_\_\_\_ in the district of \_\_\_\_\_

being a member(s) of the above named Company, hereby appoint Mr./Mrs. \_\_\_\_\_

\_\_\_\_\_ in the district of \_\_\_\_\_

\_\_\_\_\_ or failing him/her, Mr./Ms. \_\_\_\_\_

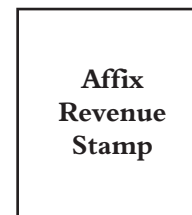
of \_\_\_\_\_ in the district of \_\_\_\_\_

\_\_\_\_\_ as my/our proxy to vote for me/us on my/our behalf at the Sixteenth Annual General Meeting of the Company to be held on Friday, September 24, 2010 at 3.30 P.M. at Sri Sathya Sai International Centre, Institutional Area, Pragati Vihar, Lodhi Road-110 003 or at any adjournment thereof.

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

No. Of Shares held \_\_\_\_\_ Regd. Folio No. \_\_\_\_\_

Signature(s) \_\_\_\_\_ Client ID No. \_\_\_\_\_  
(for Demat Shareholders)



Note:

1. The Proxy form should be signed across the stamp as per specimen signature(s) registered with the Company.
2. The proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the meeting.

## IEC EDUCATION LTD.

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

### ATTENDANCE SLIP

I/We hereby record my/our presence at the Sixteenth Annual General Meeting of the Company to be held on Friday September 24, 2010 at 3.30 P.M. at Sri Sathya Sai International Centre, Institutional Area, Pragati Vihar, Lodhi Road, New Delhi 110003 or at any adjournment thereof.

Full Name of the Member (in block letters) \_\_\_\_\_

Registered Folio No. \_\_\_\_\_ Client ID No. \_\_\_\_\_  
(for Demat Shareholders)

Full Name of Proxy (in block letters) \_\_\_\_\_

Signature(s) of the Member or Proxy(s) present: \_\_\_\_\_

Note:

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