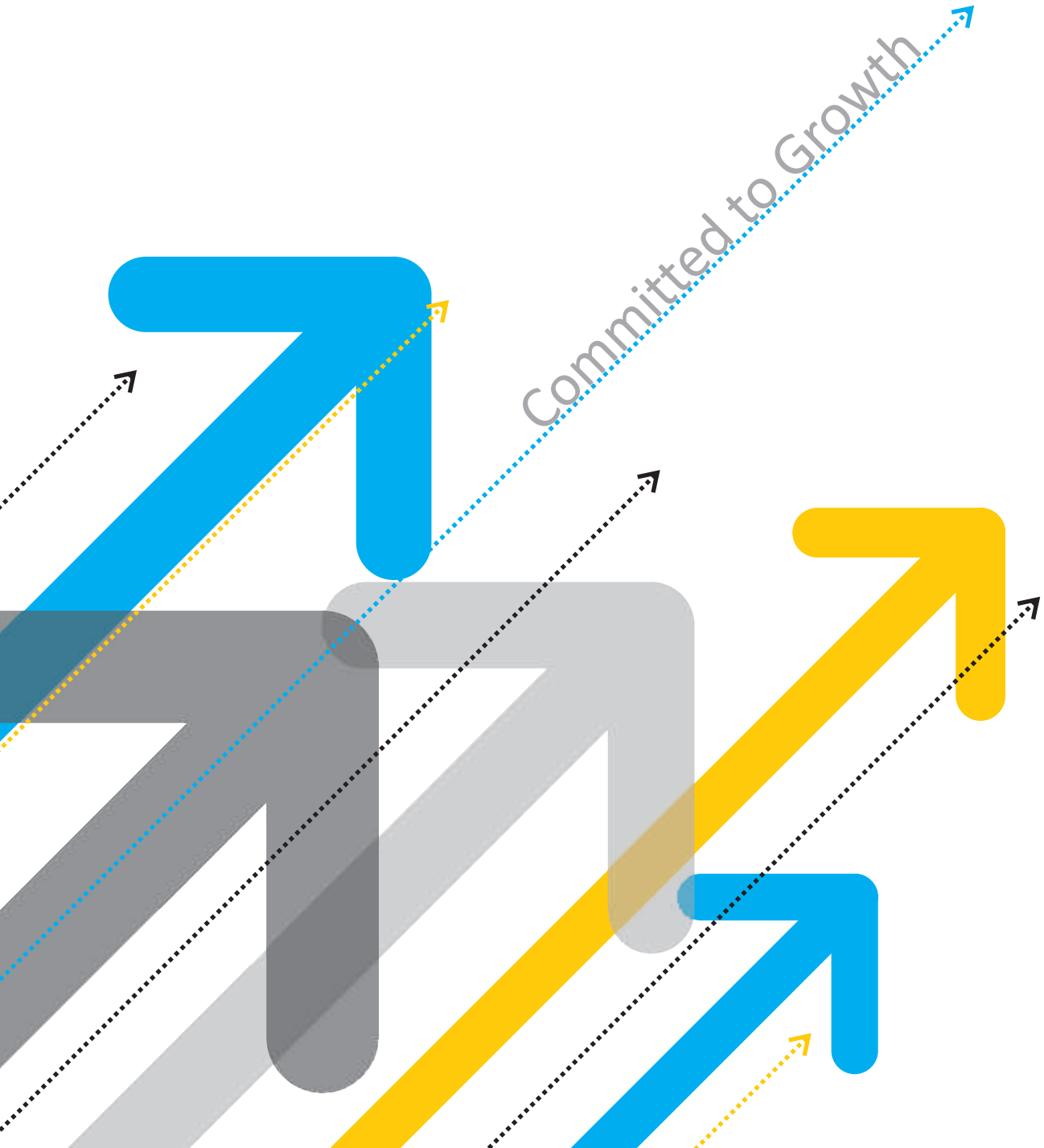
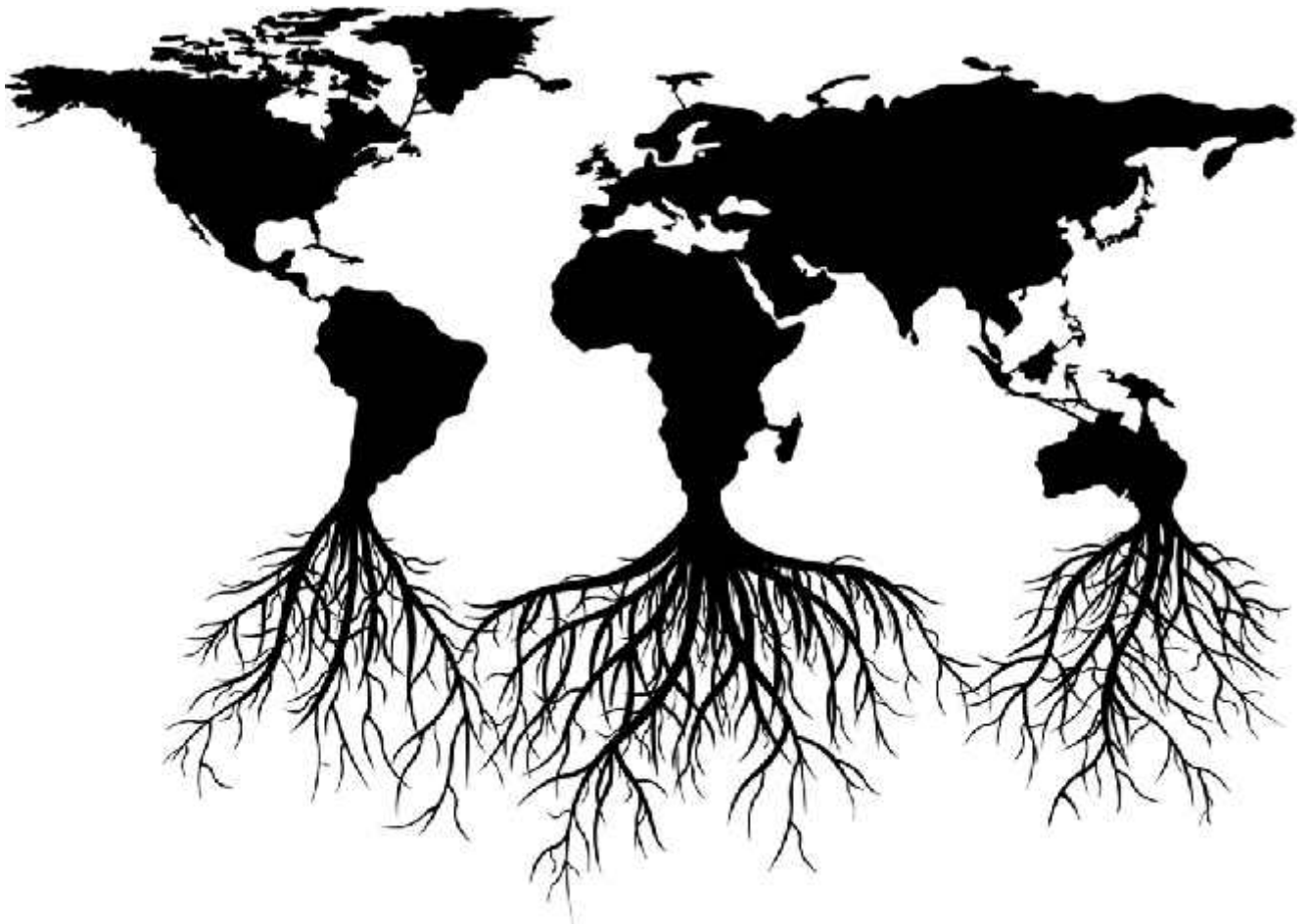




# Annual Report 2010-11



COMMITTED TO GROWTH



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# ANNUAL REPORT 2010-2011

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## COMPANY INFORMATION

### → Board of Directors

Brig. S.V.S Chowdhry,  
*Chairman*

Dr. Naveen Gupta,  
*CEO & Managing Director*

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. Bhola  
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.

### → Corporate Office

M-92, Connaught Place, New Delhi-110001.

### → Subsidiary Companies

IEC Leasing and Capital Management Limited  
IEC Learning and Management Limited  
IEC Education and Infrastructure Limited

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





## *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.

## *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.

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#### ***Members please note.....***

Your Company is concerned about the environment in sustainable way. Recently Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circular Nos. 17/2011 & 18/2011 dated April 21, 2011 & April 29, 2011 respectively stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses to the Company, their Depository or with Alankit Assignment Limited (RTA). The e-mail updation form is available at the website of the Company. Members are requested to fill & sign the form in the said form and send:

- i) by returning this letter by post; or
- ii) by returning a scan copy through e-mail at [emailupdate@iecgroupp.in](mailto:emailupdate@iecgroupp.in)

**The e-mail ID provided shall be updated subject to successful verification of your signatures.**



## NOTICE

Notice is hereby given that the 17th Annual General Meeting of the members of IEC EDUCATION LIMITED will be held on Thursday, September 29, 2011 at 10.00 A.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, 2011 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 Brig. S.V.S Chowdhry, who retires by rotation and being eligible offers himself for re-appointment.
3. To Consider and appoint a Director in place of Mr. Kailash Nath, who retires by rotation and being eligible offers himself for re-appointment.
4. To Consider and appoint a Director in place of Mr. Ramesh Lal Gupta, who retires by rotation and being eligible offers himself for re-appointment.
5. To Consider and appoint a Director in place of Mr. Lal Chand Goel, who retires by rotation and being eligible offers himself for re-appointment.
6. 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."

Place: New Delhi

By Order of the Board.

Date: 23rd August, 2011

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 FORTY 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 22-09-2011 to 29-09-2011 (both days inclusive).
7. Members whose shareholding is in the electronic mode are requested to direct change of address notifications and updates of savings bank account details to their respective depository participants. Members are encouraged to utilize the Electronic Clearing System (ECS) for receiving dividends.
8. Members are requested to address all correspondence, including dividend matters, to the Registrar and Share Transfer Agent, Alankit Assignment Limited, 2E/21, Anarkali House, Jhandewalan Extn., New Delhi – 110055.

## Brief particulars of Directors proposed to be re-appointed:

1. **Name** : **Brig. S.V.S Chowdhry**  
**Age** : 78  
**Qualification** : B. Sc (Hons.), B Sc Charter Engineer  
**Shareholding** : Nil  
**Profile** : Brig. S.V.S Chowdhry holds Bachelor's Degree and a Master's Degree from Lucknow University. He is a Chartered Engineer and is a fellow member of Institute of Electronics & Telecommunication Engineers (India), National Telemetric Forum, Institute of Management (U.K). He has represented the country in several international conferences connected with Electronics and Information Technology. He has also represented India in the international Federation for Information Processing (IFIP). He has also been Assistant Secretary General to South East Asian Regional Computer Telecommunication Engineers, Chairman to Computer Application Systems Committee, Bureau of Indian Standards and Member, Governing Board, Standardization and quality scheme, STQC Directorate Dept of Electronics. He is responsible for conceiving innovative practices and structures which have helped IEC emerge as one of the most preferred institutes in India.  
**Director of the Company:** 01st Jan, 1995  
**Other Directorship** : IEC Leasing and Capital Management Limited
  
2. **Name** : **Mr. Kailash Nath**  
**Age** : 73  
**Qualification** : M. Sc., LL.B.  
**Shareholding** : Nil  
**Profile** : Mr. Kailash Nath has the diverse experience of working in various Government Departments including Ministry of Urban Development, Ministry of Agriculture and Personnel, Public Grievances and Pensions. He has a wide exposure in technical as well as administrative fields. He has held the position of Head of the office and Chief Executive officer for several years under Grih Kalyan Kendra, Ministry of Personnel, Public Grievances and Pensions and retired as a secretary from the same office. He has also served as the Director in Ministry of Agriculture under Government of India for around 5 years.  
**Director of the Company:** 11th March, 2003  
**Other Directorship** : Nil
  
3. **Name** : **Mr. Ramesh Lal Gupta**  
**Age** : 74  
**Qualification** : B.A., LL.B.  
**Shareholding** : 2055595  
**Profile** : He is Promoter Director in the company. A practicing advocate and reputed author, Mr. Gupta co-authored dozens of books. Many of these books in fact have earned the dual distinction of being approved by both Ministry of Finance and even the Income tax Appellate Tribunal. Apart from the centre many of these books have been in circulation for state libraries. Recently he is conferred with LIFETIME ACHIEVEMENT AWARD by H.E Shri Shekhar Dutt, Hon'ble Governor of Chattisgarh in the Seminar organized by Institute of Economic Studies (IES) a well known research-oriented and awareness-promoting organization, for outstanding contribution in the field of Economic Development in the area of Education Sector.  
**Director of the Company:** Since 23rd August, 1994  
**Other Directorships** : R.L.N.G Infrastructure Private Limited  
VEF Housing Developers Private Limited  
IEC Education and Infrastructure Limited  
IEC Learning and Management Limited  
IEC Leasing and Capital Management Limited  
Sai Infracon Private Limited



# Annual Report 2010-11



4. **Name** : **Mr. Lal Chand Goel**  
**Age** : 83  
**Qualification** : B.A.  
**Shareholding** : Nil  
**Profile** : Mr. Lal Chand Goel is a successful businessman. Having a wide exposure in marketing and general administration. His specialization is in import and export of watches. He also acted as a Karta of his HUF. Till the year 2008 he was acting as Whole Time Director of IEC Education Limited, but due to his increasing responsibility towards his business he left the position of WTD of the Company, he is now in the Board as Non-Executive director.
- Director of the Company:** 16th October, 2003  
**Other Directorship** : Nil

By Order of the Board

Date: 23rd August 2011

Sd/-

Place: New Delhi

Shrey Rustagi  
(Company Secretary)

## Directors' Report

### To the Members

Your Directors take pleasure in presenting the Seventeenth Annual Report along with Audited Accounts and Auditors' Report for the year ended March, 31, 2011.

## Financial Results

(Amount in ₹ Lakhs)

Title	Year ended 31.03.2011	Year ended 31.03.2010
Income from Operations	756.66	875.12
Other income	8.33	27.19
Total Expenditure	571.90	595.54
Profit Before Interest, Depreciation & Tax	193.09	306.77
Interest	3.76	20.06
Depreciation & Amortisation	35.27	58.76
Profit Before Tax	154.06	227.95
Provision for Tax	27.42	34.65
Profit After Tax	126.64	193.30

### Operations and Business Review

During the year under review, the gross turnover of your Company is ₹ 764 lacs, last year it stood at ₹ 902 lacs. The share of PDP Income stood at 93 % of the total revenues, last FY it was 82% reporting an increase of 11 %. The Earnings before interest, tax depreciation and amortization (EBIDTA) remain at ₹ 193 lacs and profit before tax (PBT) and profit after tax (PAT) for the same period remained at ₹ 154.06 lacs and ₹ 126.64 lacs resp., there is decrease in Net Profit by 34.49% in comparison to last fiscal.

### Changes in Capital Structure

There was no change reported during the year in Authorised Share Capital or Paid up Equity shares, the company has Nil Preference Share Capital. The warrant which were not subscribed during the FY 2009-10 were forfeited during the same year. During the year the share of Promoter Category has rise by 3.37 % on account of retransfer of shares from Banks in lieu of Exemption seeked from SEBI, as reported to the Company. The paid up capital remain at ₹ 15,26,00,000/- (Rupees Fifteen Crores Twenty Six Lacs only) as on March 31, 2011.

### Directors

According to the Act & Articles of Association of the Company atleast one-third of the Directors of the Company amongst retire by rotation has to retire at every Annual General Meeting and, if eligible, offer themselves for re-election. Accordingly, Brig. SVS Chowdhry, Mr. Lal Chand Goel, Mr. Ramesh Lal Gupta and Mr. Kailash Nath, Directors of the company, retire by rotation and being eligible, offer themselves for re-appointment.

## Disclosures

The details of the related party transactions are disclosed under the notes on accounts, as required under the Accounting Standard 18 issued by the Institute of Chartered Accountants of India.

## Subsidiary Companies

As per General Circular No.2/2011 dated 8th February, 2011 issued by the Ministry of Corporate Affairs, general exemption was granted to all holding companies to attach the accounts of their subsidiaries and other particulars as required under Sec 212 of the Companies Act, 1956 provided certain conditions are fulfilled. Hence, your Company is not attaching the annual accounts of the subsidiary companies along with the accounts of the Company. The Company will make available these documents/ details upon request by any member of the Company or its subsidiaries, interested in obtaining the same. These documents will also be available for inspection during business hours at our Registered Office of the company & its website.

Company has three subsidiaries as on date, all except one is engaged in activities related to Education. During the year Company invested ₹ 20.40 Lacs each in two of its Subsidiaries IEC Learning and Management Ltd. and IEC Education and Infrastructure Ltd., against the right issue proceed during the year company was offered 204000 shares against holding of 51 % in each of them, company applied and was allotted the full quota of its shareholding. In IEC Leasing and Capital Management Ltd. company holds above 99% shareholding.

- **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.
- **IEC Learning and Management Ltd.** is also an Educational sector company, establish to run, maintain and manage educational institutes, schools, and conduct classes, training centres and similar activities. During the year it has come out with a right issue of its shares, total of 4 lacs shares were issued, the issue was fully subscribed and paid up, the company is planning for an expansion of its current activities and come out with Right Issue to fund them.
- **IEC Education and Infrastructure Ltd.** is set up to develop, provide Instructional and Computing Technology including computer education program and computer aided learning and similar activities. During the year it has come out with a right issue of its shares, total of 4 lacs shares were issued, the issue was fully subscribed and paid up, the company is planning for an expansion of its current activities and come out with Right Issue to fund them.

## Consolidated Financial Statements

The Consolidated Financial Statements are prepared In accordance with the applicable Accounting Standards AS-21 read with Accounting Standard AS-23 and AS-27. Audited Consolidated Financial Statements are provided in the Annual Report.

## Investment

During the year company has made an Investment of ₹ 40.80 lacs in its subsidiaries IEC Education and Infrastructure Ltd. and IEC Learning and Management Ltd. each.

## Registrar & Share Transfer Agents

The work relating to shares in transfer and dematerialisation 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.

During the year SEBI the nodal regularity of capital market has come up with a circular No. CIR/ OIAE/2/2011 as per the circular shareholders of the listed companies may lodge their complaints online and company is also required to submit their response and solve

the grievances online. Complaint may be filed online at designated website [www.scores.gov.in](http://www.scores.gov.in).

## **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.

## **Statutory Disclosure**

None of the Directors of your Company is disqualified under the provision of Section 274(1) (g) of the Companies Act, 1956. All the necessary disclosures as required under various provisions of the Companies Act, 1956 and the Listing Agreement were made by the Directors.

## **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 2011-2012 has been paid on time to all the Stock Exchanges where shares of the companies are listed. Also the Annual Custodial Fees to NSDL and CDSL, Depositories for the Financial Year 2011-12 have also been paid by the Company.

During the year, company has not issued any fresh equity shares neither any fresh shares were listed on any of the stock exchange during the period under review.

## **Report on Corporate Governance and Management Discussion & Analysis**

Committed to good corporate governance practices, your Company has adopted high standards of governance principles, practices and disclosure In conformity to standards set out by SEBI and other regulatory authorities and has implemented and complied with all of its major stipulations. As required under Clause 49 of the Listing Agreement, a report on Corporate Governance and Management Discussion and Analysis Report are annexed to this Annual Report and forms part of it.

## **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.

## **Dividend**

The Directors of the company do not recommend any dividend for the year.

## **Public Deposits**

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

## **Reserves**

This year reserves of the company stood at ₹ 1817.23 lacs in comparison of ₹ 1686.18 lacs of the last year.

## **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.

For and on behalf of the Board

Date: 23rd August 2011

Sd/-

Place: New Delhi

Brig. SVS Chowdhry  
(Chairman)

## Annexure A to Director's Report



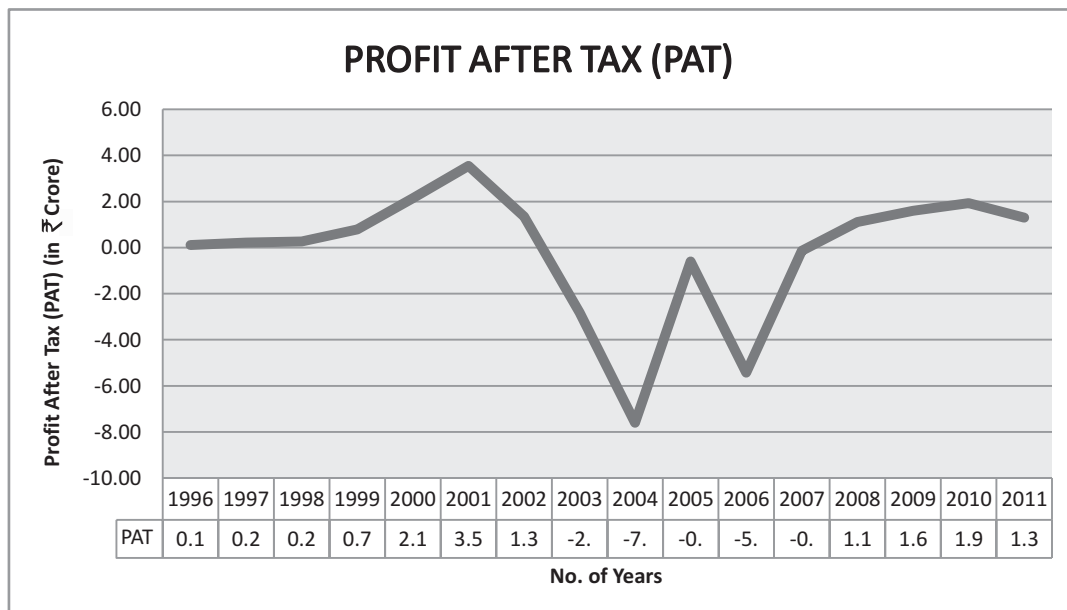
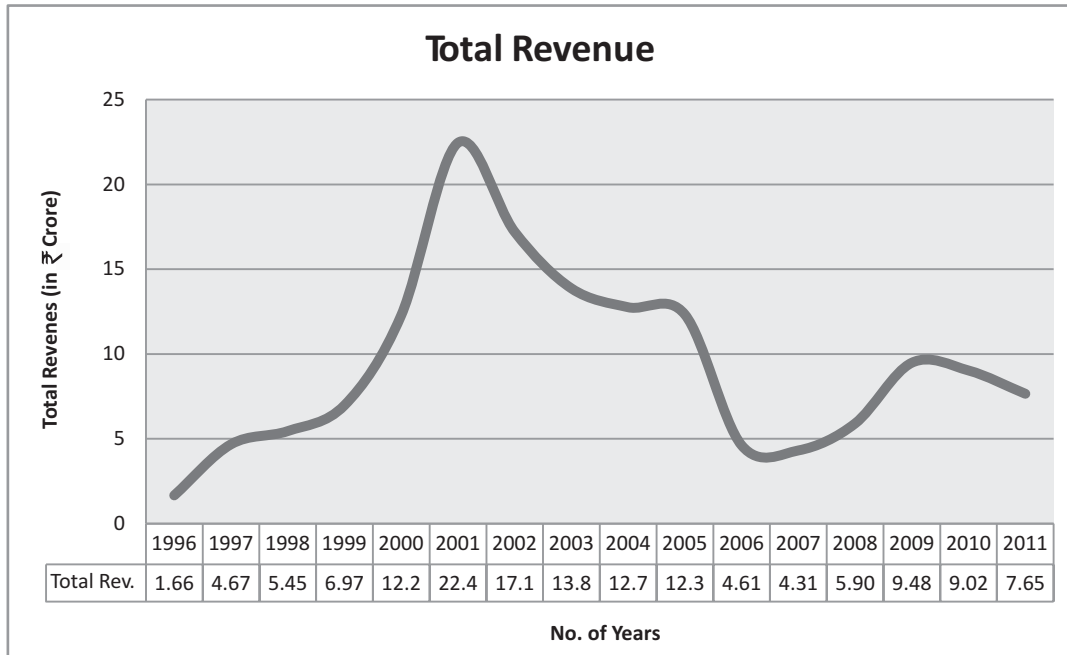
Name	Dr. Naveen Gupta
Age	40 Years
Experience	20 yrs
Designation	Managing Director
Qualification	Bachelor of Arts (B.A)
Remuneration	₹ 30,00,000/- (Rupees Thirty Lac Only) P.A.
Date of appointment	June 27, 2008
No. of shares held as on March 31, 2011	20,38,525
Previous employment details	Held designation of Vice President in IEC Education Ltd.
Relationship with any Director of the Company	Son of Mr. R.L Gupta (Non Executive Director)

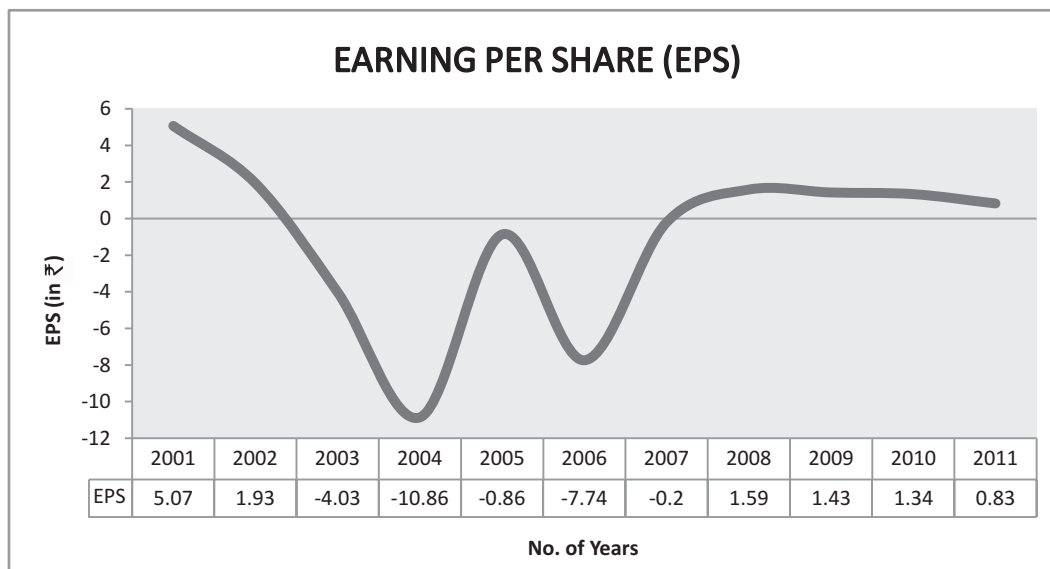
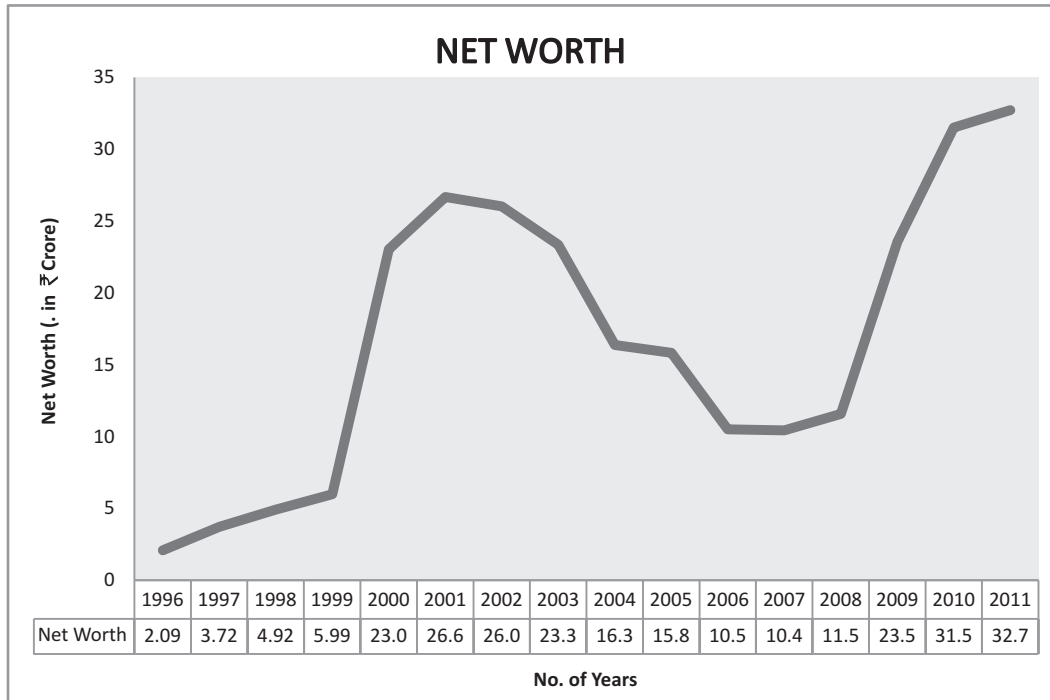
### Notes:

1. Dr. Naveen Gupta was appointed as Managing Director on June 27, 2008 at a remuneration of ₹ 2,00,000 p.m. later on via Remuneration Committee approval his remuneration was increased to ₹ 2,50,000/- per month w.e.f September 1, 2009.
2. His remuneration 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

Your Company is managed and guided by a professional Board comprising of Eleven Directors of which eight are Independent Directors, constituting more than two third quarter to the total strength of the Board. The Independent Directors of the Company meet all the criteria mandated by Clause 49 of the Listing Agreement. The Board's role, functions, responsibilities and accountability are clearly defined. The Chairman of the Board is Non – Executive Independent Director. Mr. L.C. Goel has earlier served the Company as Whole Time Director till 2008 and later shifts in the Non – Executive Directors category. Mr. R.L. Gupta is among the Non- Executive Promoter Director. The Board has Nil Nominee Directors. Further, no Additional Director or any Alternate Director was appointed on the Board.

No Director except Mr. R.L. Gupta and Dr. Naveen Gupta, is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 1956

During the Financial Year 2010-11, Your Board of Directors have met Five times, meeting were held on April 27, 2010, July 30, 2010, August 23, 2010, October 27, 2010 and January 24, 2011.

The constitution of the Board of Directors along with attendance in various meeting and other essential details are hereunder:

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 Chairman	05	No	02	NIL
2	Dr. Naveen Gupta	Managing Director	05	Yes	11	NIL
3	Mr. L.C. Goel	Non – Executive, Independent	05	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	05	No	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	05	No	01	NIL
11	Mr. H.R. Issarani	Non – Executive, Independent	04	Yes	NIL	NIL

### Shareholding of Directors of the Company:-

Name of the Director	As on March 31, 2011		As on March 31, 2010	
	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	2055595	NIL	1470995	NIL
Dr. Naveen Gupta	2038525	NIL	2038525	NIL
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	400	NIL	400	NIL
Mr. J.K. Bhola	NIL	NIL	NIL	NIL
Mr. H.P. Singh	NIL	NIL	NIL	NIL
Mr. H.R. Issarani	NIL	NIL	NIL	NIL

### Committees of the Board

At Present the Board has three committees. Audit Committee, Shareholders Committee & Remuneration Committee. All committees comprises of only Independent Directors.

### Audit Committee

Audit committee was constituted under the provisions of Clause 49 of Listing Agreement and Section 292A of the Companies Act, 1956. The primary objective of the Committee is to monitor and provide effective supervision of the financial control and reporting system. The Audit Committee evaluate the accounts and financial business of the company and at regular intervals provides its recommendations to the Board.

During the period under review the Audit Committee was reconstituted as under:

# Annual Report 2010-11



Name of the Members (after reconstitution)	Status	Category of Directorship	Name of the Members (before reconstitution)	Status
Mr. H.R. Issarani	Chairman	Non – Execute, Independent	Brig. S.V.S. Chowdhry	Chairman
Mr. H.P. Singh	Member	Non – Execute, Independent	Mr. Kailash Nath	Member
Mr. Sarabjit Singh Saini	Member	Non – Execute, Independent	Mr. Sarabjit Singh Saini	Member

During the Period under review The Audit Committee met Five times, details of meetings were held on April 27, 2010, July 28, 2010, August 21, 2010, October 25, 2010 and January 24, 2011.

The number of meeting attended by members of the Audit Committee is as below:

Name of Director	Category	No. of Meeting Attended
Brig. S.V.S. Chowdhry*	Non – Executive, Independent, Chairman	02
Mr. Kailash Nath*	Non – Executive, Independent, Member	02
Mr. H. P. Singh**	Non – Executive, Independent, Member	03
Mr. H. R. Issarani**	Non – Executive, Independent, Chairman	02
Mr. Sarabjit Singh Saini	Non – Executive, Independent, Member	05

\*Chairman / member till the meeting held on July 28, 2010.

\*\* Joined as Chairman /Member on meeting held after July 28, 2010.

Mr. Shrey Rustagi, Company Secretary acted as secretary to the committee.

The terms of references cover the following:

- 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 matter as per Clause 49 of the 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.

During the period under review the Remuneration Committee was reconstituted as under:

Name of the Members (after reconstitution)	Status	Category of Directorship	Name of the Members (before reconstitution)	Status
Mr. Sarabjit Singh Saini	Chairman	Non - Executive, Independent	Brig. S.V.S. Chowdhry	Chairman
Mr. H.P. Saini	Member	Non - Executive, Independent	Mr. Kailash Nath	Member
Mr. H.R. Issarani	Member	Non - Executive, Independent	Mr. Sarabjit Singh Saini	Member
Dr. A.K. Khare	Member	Non - Executive, Independent	Dr. A.K. Khare	Member

The remuneration committee meets as when required. No meeting of remuneration committee was held during the financial year.

The Remuneration paid to the Executive Directors including Managing Director and Sitting Fees to Non – Executive Directors for the year 2010 – 2011 is given hereunder:

Name of the Director	Category of Directorship	Remuneration including incentives etc. (In Rupees)	Sitting Fees (In Rupees)
Brig. S.V.S Chowdhry	Non – Executive, Independent	NIL	4750/-
Dr. Naveen Gupta	Executive, Promoter	30,00,000/-	NIL
Mr. L.C. Goel	Non – Executive	NIL	3750/-
Mr. R.L. Gupta	Non – Executive, Promoter	NIL	3750/-
Mr. Kailash Nath	Non – Executive, Independent	NIL	4750/-
Mr. Sar abjit Singh Saini	Non – Executive, Independent	NIL	3750/-
Dr. A.K. Khare	Non – Executive, Independent	NIL	3750/-
Mr. Rasik Makkar	Non – Executive, Independent	NIL	3750/-



Mr. J.K. Bholra	Non – Executive, Independent	NIL	3750/-
Mr. H.P. Singh	Non – Executive, Independent	NIL	3750/-
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 Board 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 lodgment of the transfer.
- 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.
- Other functions as conferred by the act, SEBI by-laws and regulations, articles of company, Board and others.

During the period under review this Committee was reconstituted as under:

Name of the Members (after reconstitution)	Status	Category of Directorship	Name of the Members (before reconstitution)	Status
Mr. H.P. Singh	Chairman	Non – Executive, Independent	Mr. Kailash Nath	Chairman
Mr. H.R. Issarani	Member	Non – Executive, Independent	Brig. S.V.S. Chowdhry	Member
Mr. Sarabjit Singh Saini	Member	Non – Executive, Independent	Mr. Sarabjit Singh Saini	Member

## Name and Designation of Compliance officer

Mr. Shrey Rustagi, Company Secretary, is acting as the Compliance officer of the Company.

**Details of Complaints received and redressed during the year 2010-11 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 2010-2011.**

Total NIL Complaints were received during the financial year 2009- 10.

None of the Independent Directors of your Company have any pecuniary relationship or transaction with your Company. None of the Non-Executive Directors except Mr. Ramesh Lal Gupta, Mr. Sarabjit Singh Saini and Mr. Rasik Makkar held shares in your Company as on March 31, 2011.

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
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
2009-10	September 24, 2010	Sri Sathya Sai International Centre, Lodhi Road, Institutional Area, Pragati Vihar, New Delhi – 110003	3.30 PM

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:-

1. 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)."
2. Extra Ordinary General Meeting of the Company 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:
  - a. To issue. offer and allot 70,00,000/- (Seventy Lacs only) convertible warrants to the Promoters as well as Non-Promoter Group.

- b. Re organization of reserve and surplus.
- 3. In the Annual General Meeting of the Company held on Friday, September 24, 2010, at Sri Sathya Sai International Centre, Lodhi Road, New Delhi at 3.30 P.M. to pass the following 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.

## 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.

## Disclosures

- 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 restrictions 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 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) 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 Financial Express and Jansatta.

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

Official News release and presentations made by the company to outsiders are posted on company's website.

- **General Share Holder Information**

## Annual General Meeting

Day, Date & Time	:	Thursday, September 29, 2011 at 10.00 A.M.
Venue	:	Sri Sathya Sai International Centre, Lodhi Road, New Delhi.
Financial Year	:	2010-11
Book Closure	:	22.09.2011 till 29.09.2011 (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, 2011: 14294300 shares

Total shares in held in Physical mode as on March 31, 2011: 965700 shares

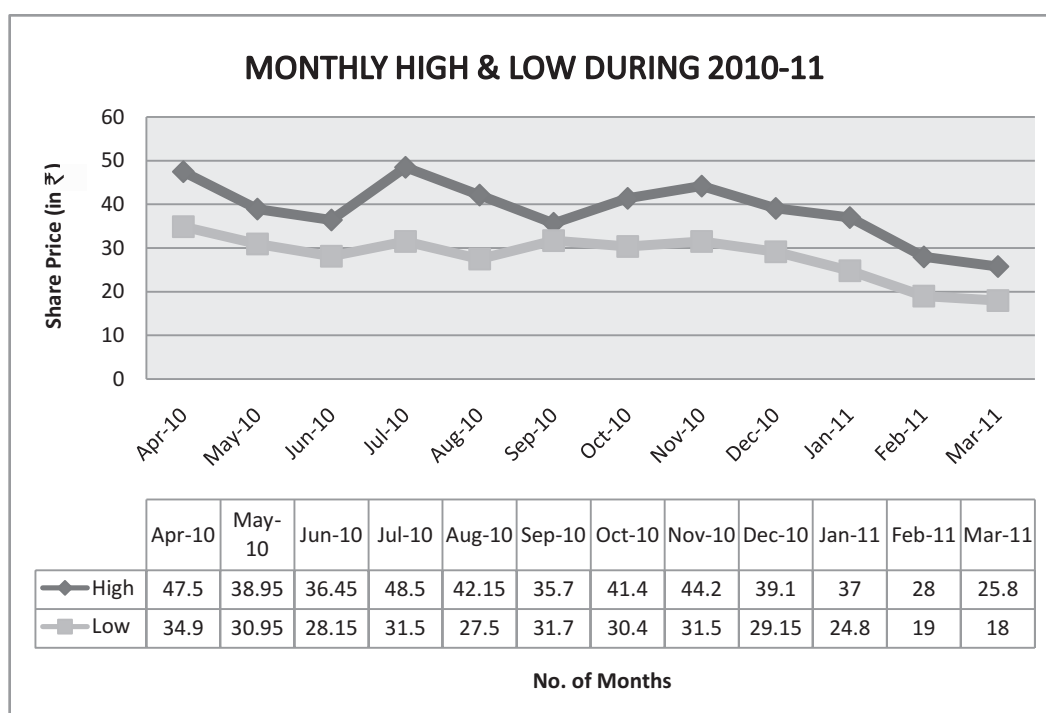
## Market Price Data: Stock Movement

The details of the movement of share prices of IEC Education Ltd. on BSE during the Financial Year 2010-11. (taken from BSE website)

# Annual Report 2010-11



Month	Open Price	High Price	Low Price	Close Price	No. of Shares	No. of Trades	Total Turnover (Rs.)	* Spread (Rs.)	
								H-L	C-O
10-Apr	34.9	47.5	34.9	38.5	288907	1422	12000517	12.6	3.6
10-May	37.45	38.95	30.95	32.1	56165	551	1921853	8	-5.35
10-Jun	31.95	36.45	28.15	32.75	86794	866	2858506	8.3	0.8
10-Jul	33	48.5	31.5	36.95	207687	2080	7914498	17	3.95
10-Aug	36.6	42.15	27.5	32.4	119316	1100	4444442	14.65	-4.2
10-Sep	32.5	35.7	31.7	31.95	106281	746	3534120	4	-0.55
10-Oct	31.4	41.4	30.4	34	179013	1331	6445255	11	2.6
10-Nov	33.75	44.2	31.5	32.6	329602	2250	12315174	12.7	-1.15
10-Dec	34	39.1	29.15	33	203032	1597	6980229	9.95	-1
11-Jan	33.8	37	24.8	27.6	247154	441	6879153	12.2	-6.2
11-Feb	27.7	28	19	23.05	36617	416	848182	9	-4.65
11-Mar	21.3	25.8	18	20.3	48282	442	1010636	7.8	-1



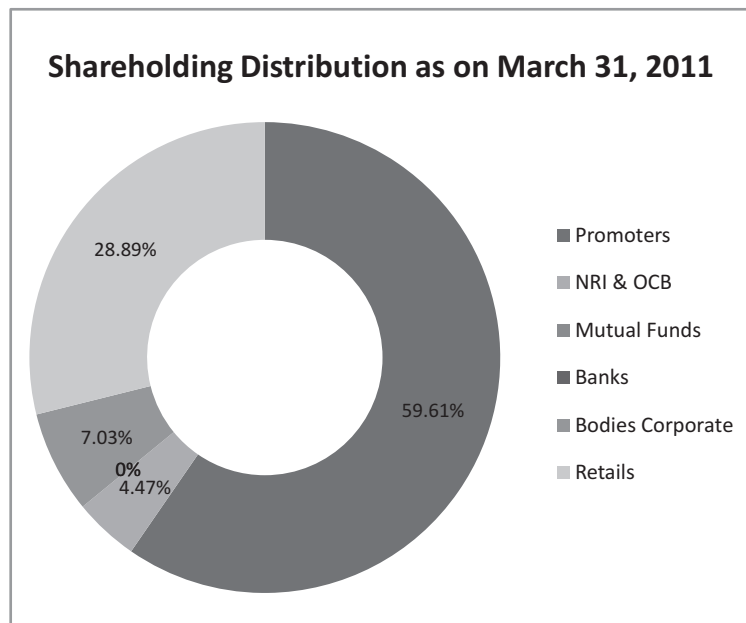
## Share Transfer System

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.

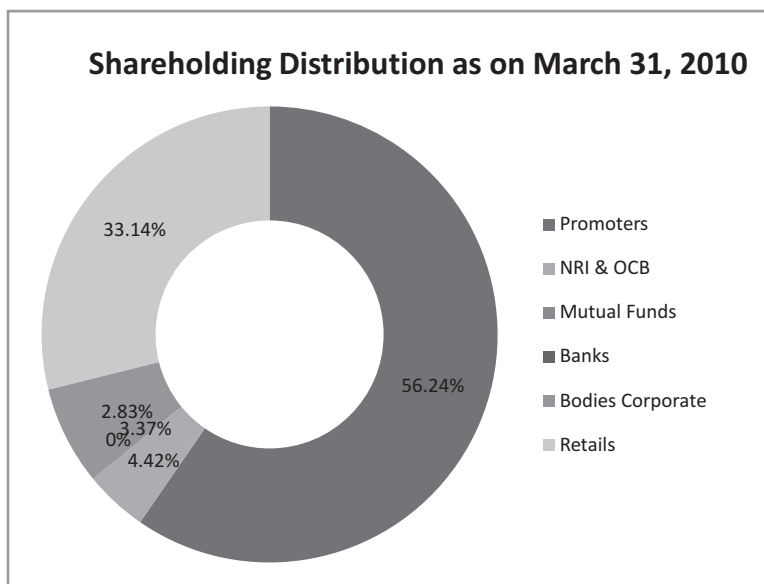
To look into the matter of share transfers, the Board has delegated the power to Mr. Narender Sharma-Manager Administration to attend and to look into the share transfer matters every fortnight.

### Category Wise Distribution of Share Holding as on March 31, 2010 and March 31, 2011

PARTICULARS	2009-10		2010-11	
	No. of Shares as on March 31, 2010	% Age As on March 31, 2010	No. of Shares as on March 31, 2011	% Age As on March 31, 2011
Promoters	8581728	56.24	9096328	59.61
NRI & OCB	675033	4.42	682552	4.47
Mutual Funds	NIL	NIL	NIL	NIL
Banks	514700	3.37	100	0.00
Bodies Corporate	432146	2.83	1072616	7.03
Retails	5056393	33.14	4408404	28.89





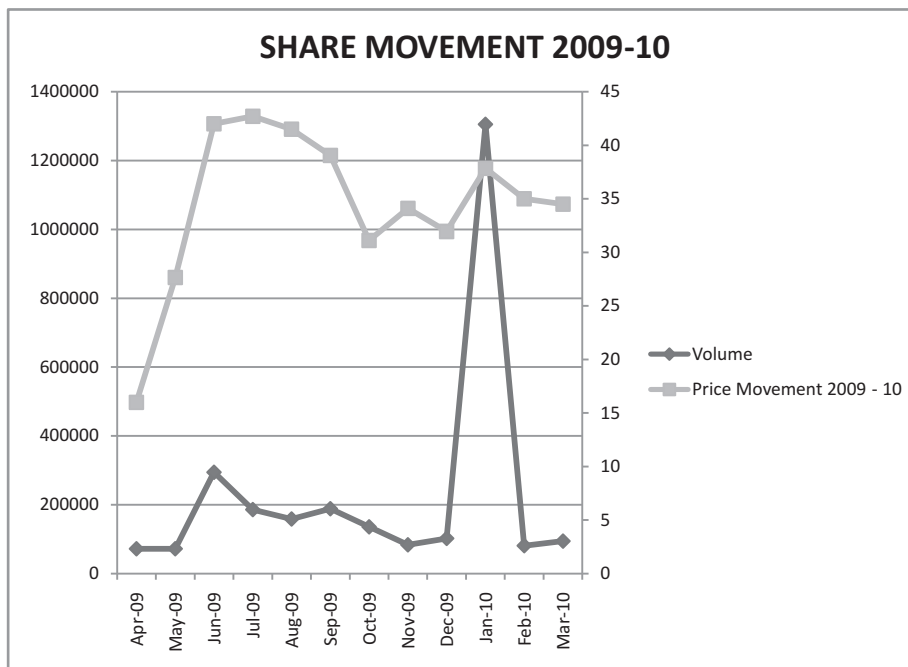
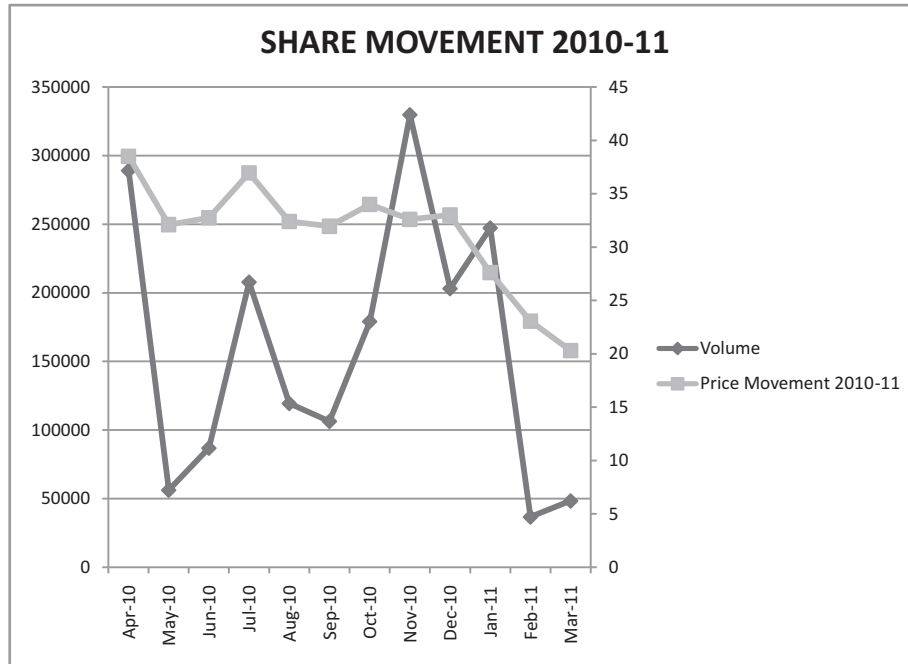


**The Distribution of the Shareholding of the Company  
as at 31st March, 2011, is as follows**

Share holding Rs. (Nominal Value)	Share Holders		Share Amount	
	Number	% to total	Rs.	% to total
Upto 5000	4740	87.762	7234780	4.741
5001-10000	354	6.554	2913380	1.909
10001-20000	144	2.666	2216540	1.453
20001-30000	49	0.907	1233340	0.808
30001-40000	24	0.444	870530	0.57
40001-50000	14	0.259	669080	0.438
50001-100000	20	0.37	1407610	0.922
100001 and above	56	1.037	136054740	89.158
<b>Total</b>	<b>5401</b>	<b>100.000</b>	<b>152600000</b>	<b>100.000</b>

### Performance in Comparison to Broad BSE Sensex

Months	April'10	May'10	Jun'10	Jul'10	Aug'10	Sept'10	Oct'10	Nov'10	Dec'10	Jan'11	Feb'11	Mar, 11
<b>Volume</b>	288907	56165	86794	207687	119316	106281	179013	329602	203032	247154	36617	48282
<b>High</b>	47.5	38.95	36.45	48.5	42.15	35.7	41.4	44.2	39.1	37	28	25.8
<b>Low</b>	34.9	30.95	28.15	31.5	27.5	31.7	30.4	31.5	29.15	24.8	19	18
<b>Close</b>	38.5	32.1	32.75	36.95	32.4	31.95	34	32.6	33	27.6	23.05	20.3



## Code of Conduct

Code of Conduct for Board Members & Senior Management of the Company is in place. The Board and other concerned bind by the code while dealing with the different interest of the company its shares of the company, the directors of the company act as agent of the shareholders and always hold their prime endeavor to safeguard the interest of the company and its shareholders. The code of conduct may be read out at companies website [www.iecgroup.in](http://www.iecgroup.in).

## 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, 2011, 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 : New Delhi

Date:- 23rd August, 2011

For NATH & HARI  
Chartered Accountants  
FR No: 007403N

(Kailash Hari)  
M.No:- 82285  
Partner

## Management Discussion and Analysis Report

### **Disclaimer**

*Readers are cautioned that this Management Discussion and Analysis contains forward-looking statements that involve risks and uncertainties. These are based on foreseen basis anticipated best by the company under the situation and circumstances actual results, performances or achievements and risks and opportunities could differ materially from those expressed or implied in such forward-looking statements. The information pertaining to industry structure, statistical data and other such information is sourced from different leading and recognized reports and Indian Economic Survey, Reports of ASSOCHAM and other government websites and sources.*

### **Indian Education Sector – Overview and Our Outlook**

The Indian education market has witnessed a series of developments and changes in the last few years most notably the technological advancements, which resulted in a significant increase in market size of the education industry compared to previous years. The present Indian education industry is in its development stage. With increasing per capita income, national economic growth and enhanced technology it has become necessary to develop the structure of the Indian education sector, to absorb increasing demand. Private players have taken several initiatives for development of education infrastructure and quality, however in higher education space liberalisation from Government is still look for. The emergence of new segments like e-learning and V-SAT training is slowly shifting the education market towards new heights.

On broad basis Indian education market consists of two segments formal and non-formal education system. With increasing participation by the Private sector K-12 segment has shown tremendous increase in terms of market growth and revenue from past years and is expected to grow at same pace. Private professional institutes are expanding with a strong growth rate which has opened the doors for foreign universities. With a very less over government control there is tremendous opportunity in the test preparation market in India.

The growing IT industry in India is driving IT education and training market as well as enhanced teaching techniques. Increase in GDP and per capita Income has raised the enrollment ratio in education sector which same time demanding the quality education also. Growth in service sector revenues and collaborations with foreign universities have also driven the sector's growth. Though some parts of the industry is under view that although the young graduates are filled with knowledge but they are not job ready and require to work on office talent generally known as soft skills here is the course like Personality Development Program (PDP) play a big role in bridging this gap.

Employability of manpower also depends a lot on soft skills like communication skills, IT skills, computer proficiency and so on. This requirement is currently satisfied, to a large extent, by private mentoring institutions and industries themselves by providing short and medium-term courses and induction trainings. However, there needs to be a more intimate linkage between academia and industry to solve this problem. Private sectors are competing for a piece of this business through their innovative products.

### **Government Role**

The Central Government expenditure on social services and rural development (Plan and non-Plan) which contributes to human development has gone up consistently over the years, Education is one of the prime manifesto in it. It has increased from 13.75 per cent in 2005-06 to 19.27 per cent in 2010-11. The Central support for social programmes has continued to expand in various forms although most social-sector subjects fall within the purview of the States. Major programme-specific funding is available to the States through Centrally Sponsored Schemes. The total expenditure by Government in Social Services has doubled in five years from ₹ 9.60 lacs crore in the year 2006 to ₹ 20.71 lacs crore in 2011, in which annual spend on Education has increased approx 2.5 times from ₹ 0.96 lacs crore to ₹ 2.35 lacs cr.

The trends in Social Services Expenditure by Government is detailed in the following chart:

Items	(₹ crore)					
	2005-06 Actual	2006-07 Actual	2007-08 Actual	2008-09 Actual	2009-10 (RE)	2010-11 (BE)
Total Expenditure	9,59,855	11,09,174	13,16,246	15,95,110	19,09,380	20,71,147
Expenditure on Social Services of which:	2,02,672	2,39,340	2,94,584	3,80,269	4,76,351	5,22,492
i) Education	96,365	1,14,744	1,29,366	1,61,360	2,04,986	2,35,035
ii) Health	45,428	52,126	63,226	73,898	90,700	99,738
iii) Others	60,879	72,470	1,01,992	1,45,011	1,80,665	1,87,719
<b>As Per Cent of GDP</b>						
Total Expenditure	25.99	25.83	26.40	28.57	29.15	26.29
Expenditure on Social Services of which:	5.49	5.57	5.91	6.81	7.27	6.63
i) Education	2.61	2.67	2.59	2.89	3.13	2.98
ii) Health	1.23	1.21	1.27	1.32	1.38	1.27
iii) Others	1.65	1.69	2.05	2.60	2.76	2.38
<b>As Per Cent of Total Expenditure</b>						
Expenditure on Social Services of which:	21.1	21.6	22.4	23.8	24.9	25.2
i) Education	10.0	10.3	9.8	10.1	10.7	11.3
ii) Health	4.7	4.7	4.8	4.6	4.8	4.8
iii) Others	6.3	6.5	7.7	9.1	9.5	9.1
<b>As Per Cent of Social Services Expenditure</b>						
i) Education	47.5	47.9	43.9	42.4	43.0	45.0
ii) Health	22.4	21.8	21.5	19.4	19.0	19.1
iii) Others	30.0	30.3	34.6	38.1	37.9	35.9

Source : RBI as obtained from Budget Documents of Union and State Governments.  
BE: budget estimates; RE: revised estimates.

## IEC EDUCATION LTD

### Strengths

- Decade experience in Education sector
- Establish and Proven Expertise in the field of Education
- Latest facilities and infrastructure
- Strong tie-ups

### Weakness

- Restricted access in Formal Education sector due to Regulatory measures
- Lack of Pan India presence
- Limited infrastructure

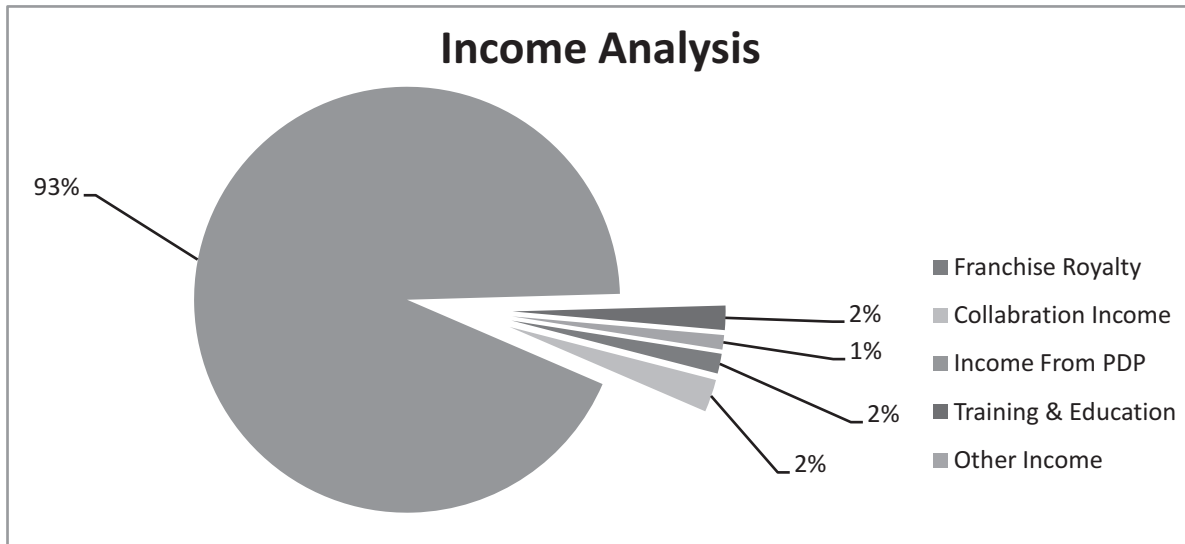
### Opportunities

- Increasing Private Participation in Education
- Opening up of new avenues like BOTs and PPPs
- Internationalization of activities, especially regionally, including recruitment of international students
- Strategic alliances with national institutions
- Use of distance education, flexible learning and adoption of new information and communications technologies to increase access

### Threats

- Inappropriate funding limiting scope of future growth and productivity
- Excessive competition
- Shortage of competent faculties
- Entrance of Foreign Universities in India

## Review of Operations – Segment Wise Performance



### Income Classification

The revenue segments of the company are categorized into the following three streams:

- Personality Development Program (PDP)
- Distribution of Franchise
- ICT Business in government schools

As represented by the chart above Personality Development Program constitutes the major portion of the Company's revenue contributing over Ninety percent of the total revenue with Franchise Business, ICT and Collaboration fees forming Two percent of the gross revenue, one percent of the revenue is from other sources. With few years company is focusing on PDP segment the most profitable segment in comparison to its other business activities.

### Personality Development Program

"An individual's personality is an aggregate conglomeration of decisions we've made throughout our lives..." – Bradshaw. In any environment, one stands out if his or her personality is one that is bright and communicative. Personality development is the developing a personality cult so as to create a strong positive impression about self with the targeted group, or in general; and more pertinent aspect of such personality are to maintain and prove in a long run. 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 has early foreseen the prospect in PDP business and growing in this zone swiftly. In spite of the fine efforts from the management the revenues are less in comparison to the last FY, this year revenues are ₹7.06 cr last year revenue from this segment was ₹7.46 cr. Management sees it as temporary turn down and is positive towards the upward trend.

PDP revenues form the major portion of Financial Year under review. Your company generally conducts the PDP program for Colleges and institutions providing Higher education, few of the names for which company has offered PDP programs are IMS Engineering College Ghaziabad, College of Engineering, Roorkee, Shri Ram Swaroop Memorial Institute of Management, Institute of Management Studies,

Ghaziabad, INJ Business School, Babu Mohan Lal Arya Smarak Engineering College, Hindustan College of Science and Technology and Anand Engineering College.

## Distribution of Franchise

Your Company for the last two decades provides the Information Technology franchise, however with the dotcom bust and reverse trend this sector become less lucrative, management has put reasonable efforts to re-reign company in this sector but outcome are still low. During the year this sector has contributed ₹ 11.45 lacs as compared to ₹ 69.90 lacs in the last Financial Year contributing 2 % of the total revenues.

## ICT Education

During the period under review ICT has generated revenues worth ₹ 13.98 lacs forming 2 % of the total revenues, last year revenues were ₹ 34.03 lacs. One of the major reasons for fall of revenues under this sector is the non- renewal of ICT projects by Government of Rajasthan and Madhya Pradesh. ICT project of Rajasthan is successfully completed by your company in year 2009. The company is applying for selected projects depending on the profit margin and cost involved. As discussed earlier Management focused on less risky profit orientated model which may produce considerable and direct revenues and being a low margin segment company bid only for selected projects.

## Collaboration Fees

The company has tie up (Collaboration) with trust / society namely Vocational Education Foundation (VEF) and Vocational Education Trust (VET) whereon the company will share fixed percentage of their revenues in lieu of financial services provided. This FY this segment has contributed ₹ 25 lacs, last FY this segment has contributed ₹ 25 lacs. Company is looking forward for more collaborations of similar nature in near future.

The collaboration 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, are continued with. On a major go VEF has been awarded with LOI to set up Medical College at Hamirpur, Himachal Pradesh, VEF is in final steps to acquire the land, this project will be turnkey venture for VEF. Apart VEF is also in process to develop Polytechnic college at Nanowal, Punjab in PPP with Government of Punjab and upcoming with a University at Baddi the buiding completion is in final stage and process of approval is under course. Company is in talks with VEF for venturing into next stage of association.

The company has reported revenues worth ₹ 8.33 lacs apart from the segments discussed above.

## Expense Analysis

Akin to last FY this year as well the company kept control on his cost. During the preceeding FY company has reported Gross Expenses of ₹ 610.92 lacs, during last fiscal the same was ₹ 674.36 lacs., reporting a fall of 9.40 % approx. The major reason of this cut is control of Training and Education expenses, preceding FY the same is ₹ 205.77 lacs in comparison to the ₹ 289.17 lacs last year down by 29 %. One of the reason of decline is low depreciation reported during the period under review.

Your Company is in niche service sector industry; Personnel Asset is precious for us. As the success and excellence of PDP programs and ICT programs much depend on human efficiency. Workers costs include salaries, fixed professionals fees, commissions etc which have fixed and variable components which are efficiently managed by the company.

## Fixed Assets

The Gross fixed assets of the company had increased by ₹ 4.72 lacs and presently stood at ₹ 7,55,58,368/-.

## Future Outlook

Education Sector in the past years has seen rapid transformations with introduction of technology in this sector the geographical distance are bridged and virtual classes have taken the shape, increasing private sector participation is strategic in the future development with Government also promoting the private participation and same time ensuring the equate control, Public Private Partnership (PPP), Built Own Operate Transfer (BOOT) are the distinguish examples of it, however non-profit activity in most of this sector is still looked as a big barrier in open Private Sector participation in this sector. Company has done several of the similar project in past specifically Rajasthan, Madhya Pradesh and is positive with the future developments and endeavors to do its best to capitalize the opportunities in this sector.

## Personnel Assets

Employees' are vital assets of the company. Human Resource is the key to the success and development for any company engaged in service industry. And are highly valued asset in your company. We have created a employee friendly environment for our Human resource so the best efforts may pooled by them. 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. There are approx. 100 employees/professionals in the Company as at the end of current financial year.

## Internal Control System

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.



## 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, 2011, 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, 2011 and taken on record by the Board of Directors, we report that the none of the Directors is disqualified as on 31st March, 2011 from being appointed as a director of the Company in terms of clause (g) of sub-section (l) 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 ₹.1,28,84,944.94 and ₹.69,68,526.45 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, 2011.
  - 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 :- New Delhi

Date :- 23rd August, 2011

For NATH & HARI  
Chartered Accountants  
FR No: 007403N

(Kailash Hari)  
M.No:- 82285  
Partner

## 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, 2011)

- 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) During the year, the Company has not disposed off substantial part of its fixed assets.
- 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) The Company has not granted any loan, Secured or Unsecured to Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly Clauses (iii)(b) to (iii)(d) of the Order are not applicable.
  - 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, 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 company has not given any guarantee for loans taken by others from bank or financial institutions during the year.
- 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. The Company has not made during the year 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 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.

Place :- New Delhi

Date :- 23rd August, 2011

For NATH & HARI  
Chartered Accountants  
FR No: 007403N

(Kailash Hari)  
M.No:- 82285  
Partner

## IEC EDUCATION LTD.

### BALANCE SHEET AS AT 31st MARCH'2011.

SCHEDULE	AS AT 31st MARCH'2011 ( ₹ )		AS AT 31st MARCH'2010 ( ₹ )	
<b>SOURCES OF FUNDS</b>				
<b>Shareholders Fund</b>				
Share Capital	1	152600000.00	152600000.00	
Reserves & Surplus	2	181723400.79	168617706.73	321217706.73
<b>Loan Funds</b>				
Secured Loans	3	1244821.72	2867977.60	
Unsecured Loans	4	16818592.58	19551389.82	22419367.42
<b>Total ₹</b>		<b>352386815.09</b>	<b>343637074.15</b>	
<b>APPLICATION OF FUNDS</b>				
<b>Fixed Assets</b>				
Gross Block	5	75558368.52	75086068.52	
Less:-Depreciation		21708790.13	18182229.12	
Net Block		53849578.39		56903839.40
<b>Investment</b>	6	7600024.90		3520024.90
<b>Deferred Tax Assets (Net)</b> (Refer Note No.13 of Schedule 20)		2929015.91		2536988.80
<b>Current Assets,Loans &amp; Advances</b>				
Sundry Debtors	7	89607444.54	99988204.29	
Cash & Bank Balances	8	37105596.05	45610812.72	
Loans & Advances	9	169822661.87	140811054.82	
		296535702.46	286410071.83	
<b>Less:-Current Liabilities &amp; Provisions</b>				
Current Liabilities	10	6753713.57	5713056.78	
Provisions	11	1877723.00	228653.00	
		8631436.57	5941709.78	
<b>Net Current Assets</b>		287904265.89		280468362.05
<b>Miscellaneous Expenditure</b>	12	103930.00		207859.00
		<b>352386815.09</b>	<b>343637074.15</b>	
<b>Accounting Policies and Notes on Accounts</b>	20			

#### As per our report of even date

For Nath & Hari  
Chartered Accountants  
F.R.No.007403N

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

Place:- New Delhi.  
Date:- 23rd August, 2011

#### For and on Behalf of the Board

Brig. S.V.S Chowdhry (Chairman)  
Naveen 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 Bholra (Director)  
Shrey Rustagi ( Company Secretary)  
Ashutosh Kumar Jha (Accounts Manager)

## IEC EDUCATION LTD.

### PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH'2011.

	SCHEDULE	CURRENT YEAR AMOUNT (₹)	PREVIOUS YEAR AMOUNT (₹)
<b>INCOME</b>			
Income from Operation	13	75666156.00	87512349.50
Other Income	14	832780.37	2719486.84
		76498936.37	90231836.34
<b>EXPENDITURE</b>			
Training & Education Expenses	15	20577112.00	28916769.00
Personnel Expenses	16	3654296.00	1778155.00
Administrative & Other Expenses	17	32855169.20	28755173.28
Interest & Finance Charges	18	375545.21	2006541.47
Depreciation	5	3526561.01	5875954.57
Miscellaneous Expenditure Written Off	19	103929.00	103929.00
		61092612.42	67436522.32
Profit/(Loss) before Taxes		15406323.95	22795314.02
Provision for Tax			
- Current Tax		(3134000.00)	(3874064.00)
-Deferred Tax		392027.11	408261.00
Profit/(Loss) after Tax		12664351.06	19329511.02
Income Tax provision for earlier years written back		441343.00	0.00
Balance Profit/(loss) brought forward from Previous year		35371756.07	16042245.05
Balance Profit/(Loss) carried to Balance Sheet		48477450.13	35371756.07
Basic Earning per Equity Share (in ₹)		0.83	1.34
Diluted Earning per Equity Share (in ₹)		0.83	1.27
(Refer Note No.16 of Schedule-20)			
Accounting Policies and Notes on Accounts	20		

#### As per our report of even date

For Nath & Hari  
Chartered Accountants  
F.R.No.007403N

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

Place:- New Delhi.  
Date:- 23rd August, 2011

#### For and on Behalf of the Board

Brig. S.V.S Chowdhry(Chairman)  
Naveen 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 Kumar Jha (Accounts Manager)

## IEC EDUCATION LTD.

### SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH'2011.

	AS AT 31st MARCH'2011 ( ₹ )		AS AT 31st MARCH'2010 ( ₹ )
<b>SCHEDULE '1'</b>			
<b>SHARE CAPITAL</b>			
Authorised 2,10,00,000 Equity Shares of ₹ 10/-each		210000000.00	210000000.00
<b>Issued subscribed &amp; Paid up</b> 15260000 Equity Shares of ₹ 10/-Each Fully Paid		152600000.00	152600000.00
		<b>152600000.00</b>	<b>152600000.00</b>
<b>SCHEDULE '2'</b>			
<b>RESERVES &amp; SURPLUS</b>			
Capital Reserve			
As per last Balance Sheet	6000000.00	0.00	
Add:- Addition on forfeiture of fully convertible share warrants (partly paid)	0.00	6000000.00	6000000.00
Share Premium			
As per last Balance Sheet	105012192.09	65012192.09	
Add:- Amount arising on conversion of Share Warrants	0.00	40000000.00	105012192.09
General Reserve			
As per last Balance Sheet		22233758.57	22233758.57
Balance in Profit & Loss Account		48477450.13	35371756.07
		<b>181723400.79</b>	<b>168617706.73</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)		1003639.76	2626795.64
		<b>1244821.72</b>	<b>2867977.60</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		0.00	2566842.31
From Others		16818592.58	16984547.51
		<b>16818592.58</b>	<b>19551389.82</b>

**IEC EDUCATION LTD.**

**SCHEDULE '5'**

**FIXED ASSETS**

DESCRIPTION	GROSS BLOCK			As at 31.03.2011	DEPRECIATION AND AMORTIZATION			NET BLOCK		
	As at 01.04.2010	Addition	Deduction		Up to 31.03.2010	For the Year	Deduction Adjustment	Up to 31.03.2011	As at 31.03.2011	As at 31.03.2010
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	3764178.30	525744.04	0.00	4289922.34	27964312.16	28490056.20
Plant & Machinery	8969376.66	256800.00	0.00	9226176.66	4524137.67	1047665.41	0.00	5571803.08	3654373.58	4445238.99
Office Equipment	4689550.00	215500.00	0.00	4905050.00	2063487.77	222921.88	0.00	2286409.65	2618640.35	2626062.23
Furniture & Fixtures	16667451.31	0.00	0.00	16667451.31	5801193.02	1055049.67	0.00	6856242.69	9811208.62	10866258.29
Vehicle	6504066.05	0.00	0.00	6504066.05	1029232.36	675180.01	0.00	1704412.37	4799653.68	5474833.69
<b>TOTAL</b>	<b>75086068.52</b>	<b>472300.00</b>	<b>0.00</b>	<b>75558368.52</b>	<b>18182229.12</b>	<b>3526561.01</b>	<b>0.00</b>	<b>21708790.13</b>	<b>53849578.39</b>	<b>56903839.40</b>

Previous Year	110500953.94	6531335.00	41946220.42	75086068.52	47927379.81	5875954.57	35621105.26	18182229.12	56903839.40	62573574.13
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## IEC EDUCATION LTD.

AS AT  
31st MARCH'2011  
( ₹ )

AS AT  
31st MARCH'2010  
( ₹ )

<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 ( ₹ value 12.45/-per Ringett)	24.90	24.90
<u>in Subsidiary Companies</u>		
2,50,000 Equity Shares of ₹ 10/- each of IEC leasing & Capital Mgt Ltd	2500000.00	2500000.00
2,55,000 (Previous Year 51000) Equity Share of ₹ 10/- each of IEC Learning & Management Ltd.	2550000.00	510000.00
2,55,000 (Previous Year 51000) Equity Share of ₹ 10/- each of IEC Education & Infrastructure Ltd.	2550000.00	510000.00
	<b>7600024.90</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	82122964.54	95869573.09
Other Debts, considered good	7484480.00	4118631.20
	<b>89607444.54</b>	<b>99988204.29</b>
<b><u>SCHEDULE '8'</u></b>		
<b><u>CASH &amp; BANK BALANCES</u></b>		
Cash in Hand	3840464.21	2795112.44
Balance with Scheduled Banks on Current Account	32978085.00	39412956.81
Fixed Deposit(including Margin Money of ₹ 80000/- (Previous year ₹ 3257565/-)	287046.84	3402743.47
	<b>37105596.05</b>	<b>45610812.72</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	37968526.45	28994819.40
Security & Deposits with others	131854135.42	111482881.42
Advance Income Tax (Net of Provision for Tax)	0.00	333354.00
	<b>169822661.87</b>	<b>140811054.82</b>
<b><u>SCHEDULE '10'</u></b>		
<b><u>CURRENT LIABILITIES</u></b>		
<b>Sundry Creditors</b>		
Due to Micro, Small and Medium Enterprises (To the extent identified with available Information )	0.00	0.00
Others	4430715.50	1770639.50
Other Liabilities	2322998.07	3942417.28
	<b>6753713.57</b>	<b>5713056.78</b>

## IEC EDUCATION LTD.

	AS AT 31st MARCH'2011 (₹)	AS AT 31st MARCH'2010 (₹)
<b><u>SCHEDULE '11'</u></b>		
<b><u>PROVISIONS</u></b>		
For Income Tax (Net of Tax)	1618835.00	0.00
For Retirement Benefits	258888.00	228653.00
	<b>1877723.00</b>	<b>228653.00</b>
<b><u>SCHEDULE '12'</u></b>		
<b><u>MISCELLANEOUS EXPENDITURE</u></b>		
(To the extent not written off or adjusted)		
Deferred Revenue Expenditure	103930.00	207859.00
	<b>103930.00</b>	<b>207859.00</b>

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH'2011.

	CURRENT YEAR	PREVIOUS YEAR
<b><u>SCHEDULE '13'</u></b>		
<b><u>INCOME FROM OPERATION</u></b>		
Franchise Royalty	1144701.00	6990500.00
Income From College	2500000.00	2500000.00
Income From Personality Dev. Programme (P.D.P)	70623100.00	74618500.00
Training & Education Income	1398355.00	3403349.50
	<b>75666156.00</b>	<b>87512349.50</b>
<b><u>SCHEDULE '14'</u></b>		
<b><u>OTHER INCOME</u></b>		
Interest (Gross on others(TDS ₹ 54344.00) (Previous Year ₹ 59135.00)	543625.37	1123397.84
Miscellaneous Income	289155.00	1596089.00
	<b>832780.37</b>	<b>2719486.84</b>
<b><u>SCHEDULE '15'</u></b>		
<b><u>TRAINING &amp; EDUCATION EXPENSES</u></b>		
Consultancy Charges	450848.00	1310978.00
Course Execution Charges	12152913.00	9587418.00
Franchise Expenses	1052851.00	5086500.00
P.D.P Expenses	6920500.00	12931873.00
	<b>20577112.00</b>	<b>28916769.00</b>

## IEC EDUCATION LTD.

	CURRENT YEAR AMOUNT( ₹ )	PREVIOUS YEAR AMOUNT( ₹ )
<b>SCHEDULE '16'</b>		
<b>PERSONNEL EXPENSES</b>		
Contribution to Provident Fund & Others Fund	82513.00	84048.00
Salaries, Bonus, Gratuity & allowances	2935132.00	1415736.00
Welfare Expenses	636651.00	278371.00
	<b>3654296.00</b>	<b>1778155.00</b>
<b>SCHEDULE '17'</b>		
<b>ADMINISTRATIVE &amp; OTHER EXPENSES</b>		
Advertisement & Publicity	1062617.00	655772.00
Auditors' Remuneration	291772.00	270148.00
Bad Debts Written Off	3000000.00	4586694.12
Bus & Taxi Hire Charges	1290940.00	375850.00
Conference & Seminar	1233955.00	974150.00
Director's Remuneration	3000000.00	2750000.00
Directors sitting Fee	39500.00	37500.00
Fine & Penalty	10589.00	0.00
General Meetings..	240689.00	213487.00
Insurance exp.	122360.00	1569.00
Ignou Expenses	740035.00	587700.00
Inst.Of Hospitality Managements Expenses	701378.00	389720.00
Legal & Professional Charges	1142334.00	448087.00
Loss on Sale of Fixed Assets	0.00	6325115.16
Miscellaneous Expenses	4358705.00	2496687.00
Photography Expenses	910370.00	452800.00
Postage & Telephone	759658.00	314665.00
Printing & Stationery	1884995.00	953595.00
Rent,Rates & Taxes	6400.00	568149.00
Repair & Maintenance-Building	2457498.00	1517350.00
Repair & Maintenance-Others	1229082.00	747730.00
Repair & Maintenance-Plant & Machinery.	2642282.00	420754.00
Sanitation Watch & Ward	1218662.00	646652.00
Share Transfer Expenses	60665.00	66180.00
Students Welfare	1164163.00	643760.00
Travelling & Conveyance	1402381.00	1318995.00
Vehicle Running & Maintenance	1866710.00	816782.00
Water & Electricity	17429.20	175282.00
	<b>32855169.20</b>	<b>28755173.28</b>
<b>SCHEDULE '18'</b>		
<b>INTEREST &amp; FINANCE CHARGES</b>		
Bank Charges	26067.40	43794.79
Interest on others	349477.81	1962746.68
	<b>375545.21</b>	<b>2006541.47</b>
<b>SCHEDULE '19'</b>		
<b>MISCELLANEOUS EXPENDITURE WRITTEN OFF</b>		
Deferred Revenue Expenditure	103929.00	103929.00
	<b>103929.00</b>	<b>103929.00</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 and Amortization:**
- 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.
  - 4) Leasehold land in the nature of perpetual lease is not amortized.
- 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. All other income are accounted for on accrual basis. 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	72,83,646.00
b) Bank Guarantee	80,000.00	32,57,565.00

- 3) Based on the information presently available with the management no amounts are outstanding as at 31st March, 2011 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):

	Current Year	Previous Year
Audit Fee	1,92,500.00	1,65,450.00
Tax Audit Fee	33,090.00	33,090.00
Misc.Certification & Other Charges	66,182.00	71,608.00
	-----	-----
	2,91,772.00	2,70,148.00
	-----	-----

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

	Current Year	Previous Year
Managerial Remuneration	30,00,000.00	27,50,000.00
Contribution to Provident Fund	36,000.00	36,000.00
	30,36,000.00	27,86,000.00

- b) Sitting Fees
- |  |           |           |
|--|-----------|-----------|
|  | 39,500.00 | 37,500.00 |
|--|-----------|-----------|

- 9) No provision for doubtful debts and advances of ₹ 1,28,84,944.94 (Previous year ₹ 1,28,84,944.94) and ₹ 69,68,526.45 (Previous year ₹ 51,03,404.45) 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 ₹ 12,00,00,000/- (Previous year ₹ 10,00,00,000/-) 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 ₹ 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 ₹ 7,00,000/- (Previous Year ₹ 7,00,000/-) given to a director of the Company.
- 12) The Subsidiary Company made a Loss of ₹ 4,69,633.30 for the year ended 31st March, 2011. This loss together with the brought forward loss of ₹ 28,56,109.80 has been carried to the Balance Sheet. The holding Company's Share of loss out of ₹ 33,25,743.10 has not been dealt with in the holding Company's books of accounts.
- 13) **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 01/04/2010	Current Year Charges/ (Credit)	Deferred Tax (Assets)/Liabilities as at 31/03/2011
<b>Deferred Tax Assets :</b>			
Provision allowed under tax on payments basis	36895710.99	23122.89	36872588.10
	<b>36895710.99</b>	<b>23122.89</b>	<b>36872588.10</b>
<b>Deferred Tax Liabilities :</b>			
Accumulated Depreciation	33663676.19	415150.00	33248526.19
Payments allowed under tax not expensed in books	695046.00	0.00	695046.00
	<b>34358722.19</b>	<b>415150.00</b>	<b>33943572.19</b>
<b>Net Deferred Tax Assets</b>	<b>2536988.80</b>	<b>(392027.11)</b>	<b>2929015.91</b>

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

15) Segment Reporting (AS)-17

### Primary Segment Information-Business Segment

(₹ in lacs)

Particulars	Training & Education	P.D.P Receipts	Others	Total
<b>Revenue :-</b>				
Revenue External	47.31 (86.23)	706.23 (746.19)	11.45 (69.90)	764.99 (902.32)
Inter Segment	- (-)	- (-)	- (-)	- (-)
Total Revenue	47.31 (86.23)	706.23 (746.19)	11.45 (69.90)	764.99 (902.32)
Results Segment Results (Profit before tax)	-92.41 (-94.10)	262.18 (329.77)	-15.71 (-7.72)	154.06 (227.95)
Income Tax : - Current Tax	- (-)	- (-)	- (-)	31.34 (-38.74)
Deferred Tax	- (-)	- (-)	- (-)	3.92 (4.08)
Net Profit	- (-)	- (-)	- (-)	126.64 (193.29)
<b>Other Information :-</b>				
Assets	1247.02 (1213.14)	716.56 (691.30)	23.85 (48.49)	1987.43 (1952.93)
Unallocated Corporate Assets	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	1603.16 (1515.41)
Total	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	3590.59 (3468.34)
Liabilities	168.18 (168.18)	10.04 (26.27)	0.00 (0.00)	178.22 (194.45)
Unallocated Corporate Liabilities	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	103.77 (89.16)
Total	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	281.99 (283.61)

Depreciation	3.52 (9.49)	29.80 (44.36)	1.95 (4.91)	35.27 (58.76)
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)	35.27 (58.76)
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.

## 16) Earning Per Share (EPS):

Particulars	2010 - 2011	2009 - 2010
<b>(A) Basic EPS :</b>		
(i) Net Profit attributable to Equity Shareholders ( ₹ )	12664351.06	19329511.44
(ii) Weighted average number of Equity Shares Outstanding (Nos.)	15260000	14443561.64
<b>Basic EPS ( ₹ ) (i) / (ii)</b>	<b>0.83</b>	<b>1.34</b>
<b>(B) Diluted EPS :</b>		
(i) Net Profit attributable to Equity Shareholders ( ₹ )	12664351.06	19329511.44
(ii) Weighted average number of Equity Shares Outstanding	15260000	15260000
<b>Diluted EPS ( ₹ ) B (i)/B (ii)</b>	<b>0.83</b>	<b>1.27</b>
<b>Face Value of Shares ( ₹ )</b>	<b>10.00</b>	<b>10.00</b>

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

- 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.
- Lease rent charged to the profit and loss account ₹ 6,000/- (previous year ₹ 5,67,000.00)
- The total of future minimum lease payments under non - cancelable operating leases is given below:-



# Annual Report 2010-11



	As at 31 March 2011	As at 31 March 2010
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
	=====	=====

18) 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.  
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
Dr. Naveen Gupta	Managing Director
Mr. H.R. Issarani	Non Executive Director
Dr. A.K. Khare	Non Executive Director
Mr. J.K. Bholra	Non Executive Director

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

Mrs. Sharda Gupta  
Mrs. Shalini Gupta  
Mr. Dheeraj Mangal

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

Nature of transaction	Referred in 18 (a)	Referred in 18 (b)	Referred in 18 (c)	Referred in 18 (d)	Total ( ₹ )
- Director's sitting fees			39500.00 (37500.00)		39500.00 (37500.00)
- Income received during the year		2500000.00 (2500000.00)			2500000.00 (2500000.00)
- Remuneration paid during the year			3036000.00 (2786000.00)		3036000.00 (2786000.00)
- Amount received during the year		45228000.00 (38875017.37)	3200000.00 (8250000.00)	768000.00 (0.00)	49196000.00 (47125017.37)
- Amount paid during the year		65228000.00 (57720000.00)	5777842.31 (3007000.00)	165954.93 (900000.00)	71171797.24 (61627000.00)
- Security given during the year		20000000.00 (48844982.63)	0.00 (0.00)	0.00 (0.00)	20000000.00 (48844982.63)
- Investment made during the year	4080000.00 (0.00)				4080000.00 (0.00)

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

- 19) There are no transaction which are required to be disclosed under clause 32 of the Listing Agreement with the Stock Exchange where the equity shares of the Company are listed.
- 20) Previous year's expenditure accounted for under the respective heads of accounts during the current year is ₹ 6702.00 (Previous year ₹ 64927.85/-)
- 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  
F.R.No.007403N

(Kailash Hari)  
M.No.82285  
Partner

Place:- New Delhi.  
Date:- 23rd August, 2011

**For and on Behalf of the Board**

Brig. S.V.S Chowdhry (Chairman)  
L.C Goel (Director )  
R.L.Gupta (Director)  
Kailash Nath (Director)  
Naveen 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 Kumar Jha (Accounts Manager)

## IEC EDUCATION LTD.

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2011

	CURRENT YEAR (₹)	PREVIOUS YEAR (₹)
<b>A) Cash flow from Operating Activities</b>		
Net Profit Before Tax	15406323.95	22795314.02
<b>Adjusted for</b>		
Depreciation	3526561.01	5875954.57
Miscellaneous Expenditure written off	103929.00	103929.00
Bad Debts Written Off	3000000.00	4586694.12
Interest Paid	349477.81	1962746.68
Interest Received	(543625.37)	(1123397.84)
Provision for Income Tax	0.00	0.00
Loss on sale of fixed assets	0.00	6325115.16
<b>Operating Profit before working capital changes</b>	<b>21842666.40</b>	<b>40526355.71</b>
<b>Adjusted for :</b>		
(Increase)/Decrease in Trade and other receivables	(21630847.30)	(47523439.71)
Increase/(Decrease) in Trade payables	1070891.79	(27450053.66)
<b>Cash generated from operation</b>	<b>1282710.89</b>	<b>(34447137.66)</b>
Income Tax Paid (Net)	(1073822.00)	0.00
<b>Net Cash (used) in / from Operating Activities</b>	<b>208888.89</b>	<b>(34447137.66)</b>
<b>B) Cash Flow from Investing Activities</b>		
Purchase of fixed assets	(472300.00)	(6531335.00)
Interest received	543625.37	1123397.84
Investments	(4080000.00)	0.00
<b>Net Cash (used) in / from Investing Activities</b>	<b>(4008674.63)</b>	<b>(5407937.16)</b>
<b>C) Cash Flow From Financing Activities</b>		
Proceeds of Long Term and other borrowings	(2732797.24)	553152.00
Repayment of Long Term and other borrowings	(1623155.88)	(1409439.46)
Issue of Share Capital	0.00	20000000.00
Increase in Capital Reserve	0.00	6000000.00
Proceeds of Convertible Shares Warrants	0.00	(12470000.00)
Share Premium	0.00	40000000.00
Interest Paid	(349477.81)	(1962746.68)
<b>Net Cash(used)in/ from Financing Activities</b>	<b>(4705430.93)</b>	<b>50710965.86</b>
<b>Net increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(8505216.67)</b>	<b>10855891.04</b>
Cash and Cash Equivalents-Opening Balance	45610812.72	34754921.68
<b>Cash and Cash Equivalents-Closing Balance*</b>	<b>37105596.05</b>	<b>45610812.72</b>
Note: 1) Cash flow statement has been prepared under the indirect method as set out in Accounting Statndard-3 Nitifed by the Companies act,1956. 2) Cash and cash equivalents include ₹ 80000.00 (Previous Year ₹ 3257565.00) on account of margin money deposit which are not available for use by the Co. 3) Previous year's figures regrouped/recast wherever necessary.		

#### As per our report of even date

For Nath & Hari  
Chartered Accountants  
F.R.No.007403N

(Kailash Hari)  
M.No. 82285  
Partner

Place:- New Delhi.  
Date:- 23rd August,2011

#### For and on Behalf of the Board

Brig.S.V.S Chowdhry (Chairman)  
L.C.Goel (Director)  
Naveen 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 Kumar Jha (Accounts Manager)

## 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	31.03.2011
<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	352387
	Total Assets	352387
	<b>SOURCE OF FUNDS:</b>	
	Paid-up Capital	152600
	Reserves & Surplus	181723
	Secured Loans	1245
	Unsecured Loans	16819
	<b>APPLICATION OF FUNDS:</b>	
	Net Fixed Assets	53850
	Investments	7600
	Deferred Tax Assets	2929
	Net Current Assets	287904
	Misc. Expenditure	104
	Accumulated Losses	NIL
<b>iv)</b>	<b>Performance of the Company (Amount in Thousands)</b>	
	Turnover (Including other income)	76499
	Total expenditure	61093
	Profit / (Loss) before Tax	15406
	Profit / (Loss) after Tax	12664
	Earning per share in `	0.83
	Dividend Rate %	0.00
<b>v)</b>	<b>Generic Name of Principal Product/Services of the Company</b>	
	(As per monetary Terms)	
	Item code No.	N.A
	Product Description	N.A

#### As per our report of even date

For Nath & Hari  
Chartered Accountants  
F.R. No. 007403

(Kailash Hari)  
M.No. : 82285  
Partner

Place :- New Delhi  
Date :- 23rd August, 2011

#### 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 Bholra (Director)
Naveen Gupta (Managing Director)	Shrey Rustagi (Company Secretary)
Sarabjit Singh Saini (Director)	Ashutosh Kumar 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	March, 31,2011	March, 31,2011	March, 31,2011
2.	Holding Company's Interest			
	a) Number of Shares fully paid	2,50,000	2,55,000	2,55,000
	b) Extent of holding	99.72 %	51%	51%
3.	Net aggregate amount of Profit/(Loss) of the subsidiary , so far as they concern members of the IEC Education Limited	.	.	.
	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	9550.18	116230.09	118398.62
	ii) For the previous financial years of the subsidiary since it became the holding company's subsidiary			
	a) Dealt with in the account of the holding company	-----	-----	-----
	b) Not dealt with in the accounts of the holding company	2459148.85	99107.28	99821.28

### For and on behalf of the Board

Brig. S.V.S Chowdhry (Chairman)  
L.C Goel (Director)  
R.L. Gupta (Director)  
Kailash Nath (Director)  
Naveen 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 Kumar Jha (Accounts Manager)

Place :- New Delhi

Date :- 23rd August, 2011

## 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, 2011, 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 presentation of 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 (AS) 21 (Consolidated financial statements) notified under companies (Accounting Standard) Rules, 2006 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, 2011;
  - 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.

Place : New Delhi

Date:- 23rd August, 2011

For NATH & HARI  
Chartered Accountants  
FR No: 007403N

(Kailash Hari)  
M.No:- 82285  
Partner

## IEC EDUCATION LTD.

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

SCHEDULE	AS AT		AS AT	
	31st MARCH'2011		31st MARCH'2010	
	(₹)		(₹)	
<b>SOURCES OF FUNDS</b>				
<b>Shareholders Fund</b>				
Share Capital	1	152560000.00	152560000.00	
Reserves & Surplus	2	178821144.48	165959629.32	318519629.32
<b>Loan Funds</b>				
Secured Loans	3	1244821.72	2867977.60	
Unsecured Loans	4	16818592.58	19551389.82	22419367.42
Minority Interest		4483513.21		788967.61
<b>Total (₹)</b>		<b>353928071.99</b>	<b>341727964.35</b>	
<b>APPLICATION OF FUNDS</b>				
<b>Fixed Assets</b>				
Gross Block	5	75558368.52	75086068.52	
Less:-Depreciation		21708790.13	18182229.12	
Net Block		53849578.39		56903839.40
<b>Investment</b>	6	24.90		24.90
<b>Deferred Tax Assets (Net)</b>		2929015.91		2536988.80
<b>Current Assets,Loans &amp; Advances</b>				
Sundry Debtors	7	89607444.54	99988204.29	
Cash & Bank Balances	8	46128808.95	47025607.92	
Loans & Advances	9	169822661.87	140811054.82	
		305558915.36	287824867.03	
<b>Less:-Current Liabilities &amp; Provisions</b>				
Current Liabilities	10	6777429.57	5729601.78	
Provisions	11	1877723.00	228653.00	
		8655152.57	5958254.78	
<b>Net Current Assets</b>		296903762.79		281866612.25
<b>Miscellaneous Expenditure</b>	12	245690.00		420499.00
		<b>353928071.99</b>		<b>341727964.35</b>
<b>Accounting Policies and Notes on Accounts</b>	20			

**As per our report of even date**

For Nath & Hari  
Chartered Accountants  
F.R.No.007403N

(Kailash Hari)  
M.No.82285  
Partner

Place:- New Delhi.  
Date:- 23rd August, 2011

**For and on Behalf of the Board**

Brig. S.V.S Chowdhry (Chairman)  
Naveen 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 Kumar Jha (Accounts Manager)

## IEC EDUCATION LTD.

### CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH'2011.

	SCHEDULE	CURRENT YEAR AMOUNT (₹)	PREVIOUS YEAR AMOUNT (₹)
<b><u>INCOME</u></b>			
Income from Operation	13	75666156.00	87512349.50
Other Income	14	832780.37	2719486.84
		<b>76498936.37</b>	<b>90231836.34</b>
<b><u>EXPENDITURE</u></b>			
Training & Education Expenses	15	20577112.00	28916769.00
Personnel Expenses	16	3949391.00	1959075.00
Administrative & Other Expenses	17	32945481.20	28846399.28
Interest & Finance Charges	18	388891.51	2006541.47
Depreciation	5	3526561.01	5875954.57
Miscellaneous Expenditure Written Off	19	174809.00	174809.00
		<b>61562245.72</b>	<b>67779548.32</b>
Profit/(Loss) before Taxes		14936690.65	22452288.02
Provision for Tax			
- Current Tax		(3134000.00)	(3874064.00)
-Deferred Tax		392027.11	408261.00
<b>Profit/(Loss) after Tax</b>		<b>12194717.76</b>	<b>18986485.02</b>
Income Tax Provision for earlier years written back		441343.00	0.00
Minority Interest		225454.40	145615.02
Balance Profit/(loss) brought forward from Previous year		32713678.66	13581578.62
Balance Transferred from Capital Reserve		0.00	0.00
Balance Transferred from Share Premium		0.00	0.00
<b>Balance Profit/(Loss) carried to Balance Sheet</b>		<b>45575193.82</b>	<b>32713678.66</b>
Basic Earning Per Equity Share (in ₹)		<b>0.80</b>	<b>1.33</b>
Diluted Earning per Equity Share (in ₹)		<b>0.80</b>	<b>1.26</b>
<b>Accounting Policies and Notes on Accounts</b>	<b>20</b>		

#### As per our report of even date

For Nath & Hari  
Chartered Accountants  
F.R.No.007403N

(Kailash Hari)  
M.No.82285  
Partner

Place:- New Delhi  
Date:- 23rd August, 2011

#### For and on Behalf of the Board

Brig. S.V.S Chowdhry (Chairman)  
Naveen 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 Kr.Jha (Accounts Manager)



## IEC EDUCATION LTD.

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31st MARCH'2011.

	AS AT 31st MARCH'2011 (₹)	AS AT 31st MARCH'2010 (₹)
<b>SCHEDULE '1'</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised</b>		
2,10,00,000 Equity Shares of ₹ 10/- each	210000000.00	210000000.00
<b>Issued subscribed &amp; Paid up</b>		
15256000 Equity Shares of ₹ 10/- Each Fully Paid	152560000.00	152560000.00
	<b>152560000.00</b>	<b>152560000.00</b>
<b>SCHEDULE '2'</b>		
<b>RESERVES &amp; SURPLUS</b>		
<b>Capital Reserve</b>		
As per last Balance Sheet	6000000.00	0.00
Add:- Addition on forfeiture of fully convertible share warrants (partly paid)	0.00	6000000.00
	<b>6000000.00</b>	<b>6000000.00</b>
<b>Share Premium</b>		
As per last Balance Sheet	105012192.09	65012192.09
Add:- Amount arising on conversion of Share Warrants	0.00	40000000.00
	<b>105012192.09</b>	<b>105012192.09</b>
<b>General Reserve</b>		
As per last Balance Sheet	22233758.57	22233758.57
<b>Balance in Profit &amp; Loss Accounts</b>		
	45575193.82	32713678.66
	<b>178821144.48</b>	<b>165959629.32</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)	1003639.76	2626795.64
	<b>1244821.72</b>	<b>2867977.60</b>
<b>Note :-1) Short Term Loan from ICICI Bank is secured by hypothecation of Computers.</b>		
<b>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>		
<b>SCHEDULE '4'</b>		
<b>Unsecured Loans</b>		
From Directors	0.00	2566842.31
From Others	16818592.58	16984547.51
	<b>16818592.58</b>	<b>19551389.82</b>

## IEC EDUCATION LTD.

SCHEDULE FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31st MARCH, 2011

### SCHEDULE '5'

#### Fixed Assets

DESCRIPTION	GROSS BLOCK As at 01.04.2010	Addition	Deduction	As at 31.03.2011	DEPRECIATION AND AMORTIZATION			Up to 31.03.2011	NET BLOCK	
					Up to 31.03.2010	For the Year	Deduction Adjustment		As at 31.03.2011	As at 31.03.2010
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	3764178.30	525744.04	0.00	4289922.34	27964312.16	28490056.20
Plant & Machinery	8969376.66	256800.00	0.00	9226176.66	4524137.67	1047665.41	0.00	5571803.08	3654373.58	4445238.99
Office Equipment	4689550.00	215500.00	0.00	4905050.00	2063487.77	222921.88	0.00	2286409.65	2618640.35	2626062.23
Furniture & Fixtures	16667451.31	0.00	0.00	16667451.31	5801193.02	1055049.67	0.00	6856242.69	9811208.62	10866258.29
Vehicle	6504066.05	0.00	0.00	6504066.05	1029232.36	675180.01	0.00	1704412.37	4799653.68	5474833.69
<b>TOTAL</b>	<b>75086068.52</b>	<b>472300.00</b>	<b>0.00</b>	<b>75558368.52</b>	<b>18182229.12</b>	<b>3526561.01</b>	<b>0.00</b>	<b>21708790.13</b>	<b>53849578.39</b>	<b>56903839.40</b>

Previous Year	110500953.94	6531335.00	41946220.42	75086068.52	47927379.81	5875954.57	35621105.26	18182229.12	56903839.40	62573574.13
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## IEC EDUCATION LTD.

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31st MARCH,2011

	AS AT 31st MARCH'2011 ( ₹ )	AS AT 31st MARCH'2010 ( ₹ )
<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 ( ₹ value 12.45/- per Ringett)	24.90	24.90
<u>in Subsidiary Companies</u>	<u>24.90</u>	<u>24.90</u>
<b>SCHEDULE '7'</b>		
<b>SUNDRY DEBTORS</b>		
(Unsecured)		
Debt outstanding for a period exceeding six months		
Considered Good	82122964.54	95869573.09
Other Debts, considered good	7484480.00	4118631.20
	<u>89607444.54</u>	<u>99988204.29</u>
<b>SCHEDULE '8'</b>		
<b>CASH &amp; BANK BALANCES</b>		
Cash in Hand	7875023.41	4209907.64
Balance with Scheduled Banks		
on Current Account	37966738.70	39412956.81
Fixed Deposit (including Margin of ₹ 80000/- (Previous year ₹ 3257565/-)	287046.84	3402743.47
	<u>46128808.95</u>	<u>47025607.92</u>
<b>SCHEDULE '9'</b>		
<b>LOANS &amp; ADVANCES</b>		
<b>Unsecured and Considered Good</b>		
Advances Recoverable in Cash or in kind		
or for value to be received	37968526.45	28994819.40
Security & Deposits with others	131854135.42	111482881.42
Advance Income Tax (Net of Provision for Tax)	0.00	333354.00
	<u>169822661.87</u>	<u>140811054.82</u>
<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	4430715.50	1770639.50
Other Liabilities	2346714.07	3958962.28
	<u>6777429.57</u>	<u>5729601.78</u>

## IEC EDUCATION LTD.

### SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31st MARCH, 2011

	AS AT 31st MARCH'2011 (₹)	AS AT 31st MARCH'2010 (₹)
<b>SCHEDULE '11'</b>		
<b>PROVISIONS</b>		
For Income Tax	1618835.00	0.00
For Retirement Benefits	258888.00	228653.00
	<b>1877723.00</b>	<b>228653.00</b>
<b>SCHEDULE '12'</b>		
<b>MISCELLANEOUS EXPENDITURE</b>		
(To the extent not written off or adjusted)		
Preliminary Expenses	141760.00	212640.00
Deferred Revenue Expenditure	103930.00	207859.00
	<b>245690.00</b>	<b>420499.00</b>

### SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH'2011.

	CURRENT YEAR	PREVIOUS YEAR
<b>SCHEDULE '13'</b>		
<b>INCOME FROM OPERATION</b>		
Franchise Royalty	1144701.00	6990500.00
Income From College	2500000.00	2500000.00
Income From Personality Dev. Programme (P.D.P)	70623100.00	74618500.00
Training & Education Income	1398355.00	3403349.50
	<b>75666156.00</b>	<b>87512349.50</b>
<b>SCHEDULE '14'</b>		
<b>OTHER INCOME</b>		
Interest (Gross on others (TDS ₹ 54344.00) (Previous Year ₹ 59135.00)	543625.37	1123397.84
Miscellaneous Income	289155.00	1596089.00
	<b>832780.37</b>	<b>2719486.84</b>
<b>SCHEDULE '15'</b>		
<b>TRAINING &amp; EDUCATION EXPENSES</b>		
Consultancy Charges	450848.00	1310978.00
Course Execution Charges	12152913.00	9587418.00
Franchise Expenses	1052851.00	5086500.00
P.D.P Expenses	6920500.00	12931873.00
	<b>20577112.00</b>	<b>28916769.00</b>

## IEC EDUCATION LTD.

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31st MARCH, 2011

	CURRENT YEAR (₹)	PREVIOUS YEAR (₹)
<b>SCHEDULE '16'</b>		
<b>PERSONNEL EXPENSES</b>		
Contribution to Provident Fund & Others Fund	82513.00	84048.00
Salaries, Bonus, Gratuity & allowances	3223132.00	1589786.00
Welfare Expenses	643746.00	285241.00
	<b>3949391.00</b>	<b>1959075.00</b>
<b>SCHEDULE '17'</b>		
<b>ADMINISTRATIVE &amp; OTHER EXPENSES</b>		
Advertisement & Publicity	1062617.00	655772.00
Auditors' Remuneration	309973.00	286693.00
Bad Debts Written Off	3000000.00	4586694.12
Bus & Taxi Hire Charges	1290940.00	375850.00
Conference & Seminar	1233955.00	974150.00
Director's Remuneration	3000000.00	2750000.00
Directors sitting Fee	39500.00	37500.00
Fine & Penalty	10589.00	0.00
General Meetings.	240689.00	213487.00
Insurance exp.	122360.00	1569.00
Ignou Expenses	740035.00	587700.00
Inst. of Hospitality Management Expenses	701378.00	389720.00
Legal & Professional charges	1142334.00	448087.00
Loss on Sale of Fixed Assets	0.00	6325115.16
Miscellaneous Expenses	4390965.00	2528876.00
Photography Expenses	910370.00	452800.00
Postage & Telephone	767654.00	326915.00
Printing & Stationery	1900077.00	968822.00
Rent, Rates & Taxes	6400.00	568149.00
Repair & Maintenance-Building	2457498.00	1517350.00
Repair & Maintenance-Others	1229082.00	747730.00
Repair & Maintenance-Plant & Machinery.	2642282.00	420754.00
Sanitation Watch & Ward	1227335.00	654432.00
Share Transfer Expenses	60665.00	66180.00
Students Welfare	1164163.00	643760.00
Travelling & Conveyance	1410481.00	1326230.00
Vehicle Running & Maintenance	1866710.00	816782.00
Water & Electricity	17429.20	175282.00
	<b>32945481.20</b>	<b>28846399.28</b>
<b>SCHEDULE '18'</b>		
<b>INTEREST &amp; FINANCE CHARGES</b>		
Bank Charges	39413.70	43794.79
Interest on others	349477.81	1962746.68
	<b>388891.51</b>	<b>2006541.47</b>
<b>SCHEDULE '19'</b>		
<b>MISCELLANEOUS EXPENDITURE WRITTEN OFF</b>		
Public Issue Expenses	70880.00	70880.00
Deferred Revenue Expenditure	103929.00	103929.00
	<b>174809.00</b>	<b>174809.00</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 31/03/2011, 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  
F.R.No.007403N

(Kailash Hari)  
M.No. : 82285  
Partner

#### For and on behalf of the Board

Brig. S.V.S Chowdhry (Chairman)  
L.C Goel (Director )  
R.L.Gupta (Director)  
Kailash Nath (Director)  
Naveen 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 Kumar Jha (Accounts Manager)

Place :- New Delhi

Date :- 23rd August, 2011

## IEC EDUCATION LTD.

### CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH,2011.

	CURRENT YEAR ( ₹ )	PREVIOUS YEAR ( ₹ )
<b>A) Cash flow from Operating Activities</b>		
Net Profit Before Tax	14936690.65	22452288.02
<b>Adjusted for :</b>		
Depreciation	3526561.01	5875954.57
Miscellaneous Expenditure written off	174809.00	174809.00
Bad Debts Written Off	3000000.00	4586694.12
Interest Paid	349477.81	1962746.68
Interest Received	(543625.37)	(1123397.84)
Loss on sale of fixed assets	0.00	6325115.16
Operating Profit before working capital changes	21443913.10	40254209.71
<b>Adjusted for :</b>		
(Increase)/Decrease in Trade and other receivables	(21630847.30)	(47523439.71)
Increase/(Decrease) in Trade payables	1078062.79	(27450053.66)
Cash generated from operation	891128.59	(34719283.66)
Income Tax including Fringe Benefit Tax paid	(1073822.00)	0.00
<b>Net Cash (used) in / from Operating Activities</b>	<b>(182693.41)</b>	<b>(34719283.66)</b>
<b>B Cash Flow from Investing Activities</b>		
Purchase of fixed assets	(472300.00)	(6531335.00)
Interest received	543625.37	1123397.84
Investments	0.00	0.00
<b>Net Cash (used) in / from Investing Activities</b>	<b>71325.37</b>	<b>(5407937.16)</b>
<b>C) Cash Flow From Financing Activities</b>		
Repayment of Long Term Unsecured Loan	(2732797.24)	553152.00
Repayment of Long Term Secured Loan	(1623155.88)	(1409439.46)
Issue of Share Capital	3920000.00	20000000.00
Increase in Capital reserve	0.00	6000000.00
Proceeds of convertible Shares Warrants	0.00	(12470000.00)
Share Premium	0.00	40000000.00
Interest Paid	(349477.81)	(1962746.68)
<b>Net Cash(used)in/ from Financing Activities</b>	<b>(785430.93)</b>	<b>50710965.86</b>
<b>Net increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(896798.97)</b>	<b>10583745.04</b>
Cash and Cash Equivalents-Opening Balance	47025607.92	36441862.88
<b>Cash and Cash Equivalents-Closing Balance*</b>	<b>46128808.95</b>	<b>47025607.92</b>
<b>Notes :</b>		
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 ₹ 80000/- (Previous Year ₹ 3257565/-) 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 Accountant  
F.R.No.007403N

(Kailash Hari)  
M.No. : 82285  
Partner

#### For and on behalf of the Board

Brig. S.V.S Chowdhry (Chairman)  
L.C Goel (Director )  
R.L.Gupta (Director)  
Kailash Nath (Director)  
Naveen 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 Kumar Jha (Accounts Manager)

Place :- New Delhi  
Date :- 23rd August, 2011





## IEC EDUCATION LTD

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

### PROXY FORM

DPId: \_\_\_\_\_

Client Id: \_\_\_\_\_

Regd. Folio No.\*: \_\_\_\_\_

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

I/We \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ being a member/members of the Company

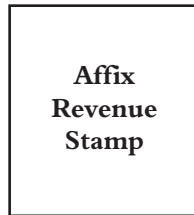
hereby appoint Mr./Ms. \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ or failing him Mr./Ms. \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ as my / our proxy to vote for me / us on my / our behalf at the 17th (Sevententh)

ANNUAL GENERAL MEETING of the Company to be held on Thursday, the 29th day of September, 2011 at 10:00 A.M. at Sri Sathya Sai International Centre, Institutional Area, Pragati Vihar, Lodhi Road, New Delhi-110 003 and at any adjournment (s) thereof.

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

\*Applicable for investor holding shares in Physical form

Signature of the Shareholder



**Note:** The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the company not less than 48 hrs before the time for holding the aforesaid meeting. The Proxy need not be a member of the company.

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## IEC EDUCATION LTD.

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

### ADMISSION SLIP

Members or their proxies are requested to present this form for admission, duly signed in accordance with their specimen signatures registered with the Company.

DPId: \_\_\_\_\_

Client Id: \_\_\_\_\_

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

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

Name(s) and address of the shareholder in full Mr./Ms. \_\_\_\_\_  
R/O \_\_\_\_\_

I / we hereby record my / our presence at the 17th (Sevententh) ANNUAL GENERAL MEETING of the Company to be held on Thursday, the 29th day of September, 2011 at 10:00 A.M. at Sri Sathya Sai International Centre, Institutional Area, Pragati Vihar, Lodhi Road, New Delhi-110003.

Please tick in the box

MEMBER

PROXY

Signature of Member/Proxy











Regd. Office : 5, Sant Nagar, East of Kailiash, New Delhi - 110 065, India