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ANNUAL REPORT **2011-12**

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Annual
Report
2011-12



COMPANY INFORMATION

Board of Directors (As on 28th August, 2012)

Brig. S.V.S Chowdhry
CHAIRMAN, Independent Non Executive Director

Dr. Naveen Gupta
CEO & Managing Director, Promoter

Mr. R.L. Gupta
Non Executive Director, Promoter

Mr. Kailash Nath
Independent Non Executive Director

Mr. Sarabjit Singh Saini
Independent Non Executive Director

Dr. A.K. Khare
Independent Non Executive Director

Mr. Rasik Makkar
Independent Non Executive Director

Mr. H.P Singh
Independent Non Executive Director

Mr. J.K. Bhola
Independent Non Executive Director

Committees of The Board

Audit Committee

Mr. H.P Singh
Chairman, Independent &, Non Executive Director

Mr. Sarabjit Singh Saini
Member, Independent & Non Executive Director

Dr. A.K. Khare
Member, Independent & Non Executive Director

Shareholder's Investor Grievance Committee

Mr. H.P Singh
Chairman, Independent & Non Executive Director

Mr. Sarabjit Singh Saini
Member, Independent & Non Executive Director

Dr. A.K. Khare
Member, Independent & Non Executive Director

Remuneration Committee

Mr. Sarabjit Singh Saini
Chairman, Independent & Non Executive Director

Mr. H.P Singh
Member, Independent & Non Executive Director

Dr. A.K. Khare
Member, Independent & Non Executive Director

Registered Office

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

Head Office

M-92, Connaught Place, New Delhi-110001

Auditors

Nath & Hari, Chartered Accountants

Listed At

- Bombay Stock Exchange Limited
- Delhi Stock Exchange Limited
- Jaipur Stock Exchange Limited

Company Secretary

Mr. Shrey Rustagi

Registrar & Transfer Agents

Alankit Assignments Limited
2E/21, Anarkali House, Jhandewalan Extn.
New Delhi - 110055.

Website: www.iecgroup.in

Subsidiary Companies

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

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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

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

NOTICE

Notice is hereby given that the 18th Annual General Meeting of the members of IEC EDUCATION LIMITED will be held on Monday, September 24, 2012 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, 2012 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 Dr. A.K. Khare, who retires by rotation and being eligible offers himself for re-appointment.
3. To Consider and appoint a Director in place of Mr. Rasik Makkar, who retires by rotation and being eligible offers himself for re-appointment.
4. To Consider and appoint a Director in place of Mr. H.P. Singh, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as ordinary resolution:-
"RESOLVED THAT, M/s Nath & Hari, Chartered Accountants, be and is hereby re-appointed as auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of Next Annual general Meeting of the company on such remuneration as shall be fixed by the Board of Directors."

Special Business

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

"RESOLVED THAT pursuant to sections 198, 269, 309, 310 and 311 read with Schedule XIII and other enabling provisions, if any of the Companies Act, 1956 and all guidelines for managerial remuneration issued by the Central Government from time to time, and such other consent and approval as may be required, consent of the members be and is hereby accorded for fixing the remuneration of Dr. Naveen Gupta, Managing Director of the Company, effective 1st July 2011 till the remaining period of his tenure with the liberty to the Board of Directors and remuneration committee to alter and vary the terms and conditions within the limits of Schedule XIII and the terms and conditions as set out in the Explanatory Statement annexed hereto."

"RESOLVED FURTHER THAT if the Company has no profit or inadequate profit, the remuneration as set out in the Explanatory Statement annexed hereto shall also be the minimum remuneration payable to Dr. Naveen Gupta pursuant to Section 198 and 309 and any other applicable provisions, if any, of the Companies Act, 1956

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LATER THAN FOURTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Members / Proxies should bring the attendance slip duly filled in for attending the meeting.
3. Shareholders seeking any information with regard to the accounts are requested to write to the Company at an early date but not later than 48 hours before the scheduled time of holding the AGM.
4. Shareholders are requested to kindly bring their copies of Annual Report to the meeting.
5. Members are requested to quote their registered folio number in all correspondence with Company and notify the Company immediately of change, if any, in their address.

6. The register of members and share transfer books of the Company will remain closed from 17-09-2012 to 24-09-2012 (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** : **A.K. Khare**
Age : 66
Qualification : B.E (Hons.), M.Tech and Ph.D in Mechanical Engineering
Shareholding : Nil
Brief Profile : He acquired B.E.(Hons.), M.Tech.and Ph.D. in Mechanical Engineering .He has served U.P.Technical University as the Pro-Vice Chancellor and Central Admission Committee of U.P.State Engineering Admission Test Cell as a Member, also looked after the “World Bank Assisted Technical Education Quality Improvement Programmed” of Govt. of India as the Chief Project Coordinator for UP state. He had served on various Expert Committees, at the State Govt. and Govt. of India levels as Chairman/ Member and this has given me exposure on Planning, Coordination, Policy formulation and Development activities. He is actively involved in consultancy and research projects of the neighboring industry such as HAL, TELCO, Scooters India Ltd., ALIMCO, and RDSO etc. Currently working as CEO with Maharana Pratap University.
Director of the Company: 30th July, 2007
Other Directorship : 1. IEC Learning and Management Limited
2. IEC Education and Infrastructure Private Limited
2. **Name** : **Rasik Makkar**
Age : 49
Qualification : Chartered Accountant
Shareholding : 400
Brief Profile : He is a practicing Chartered Accountant by profession. He possesses rich experience in taxation matters and other financial matters. He is partner in chartered accountants firm M/s Akar and Associates located in New Delhi. His firm holds some of the pioneer industries across Delhi as their clients.
Director of the Company: 20th January, 2007
Other Directorship : NIL
3. **Name** : **H.P. Singh**
Age : 65
Qualification : Masters in Military Studies
Shareholding : Nil
Brief Profile : He has done Masters in Military Studies. He has also been posted as DIG in Ministry of Home Affairs and was responsible for internal security of Northern India.
Director of the Company: 20th January, 2007
Other Directorship : Technix Electronics Pvt. Ltd.

Explanatory Statement

Item No. 6

Dr. Naveen Gupta is associated with the company since its inception. He was director in the company since incorporation till year 2006. He returned in the company in year 2007 as Vice President later promoted to CEO and then Additional Director and Managing Director in the year 2008, it was his visionary that take company out of the half decade of losses and regain on the track of profits. Dr. Naveen Gupta holds 21 years of experience in the filed of Marketing, Advertising, Corporate Planning, Franchise operations, Administration and Strategy.

The proposed remuneration is already approved by the Remuneration Committee and Board of Directors. The Board of Directors commends the resolution for your approval.

The Board of Directors based on the recommendation of the Remuneration Committee shall have the liberty to revise the remuneration subject to the limits of Schedule XIII based on performance of Dr. Naveen Gupta.

Statement in terms of Section II (B) (iv) of Part II of Schedule XIII of the Companies Act, 1956 is given as under:-

I. General Information:

1. Nature of Industry : Education Services and other Vocational Education.
2. Date of Commencement of Business: August 24, 1994
3. In case of new companies, expected date of commencement of activities : Not applicable
4. Financial Performance : During the period of 12 months ended on 31.03.2012, the Company recorded a turnover of ₹ 543.75 lacs and made a profit of ₹ 76.78 lacs. The Accumulated losses during the past year till 2007 were fully eloped through the profits of the current years.
5. Export performance : Company do not have any export or dealing in foreign exchange
6. Foreign investments : Company do not have any any Investment outside India as on date

II Information about the appointee:

1. **Background details:** Dr. Naveen Gupta is bachelor in Arts from University of Delhi. A St. Stephen College alumni is conferred with Honorary Doctorate Degree by Luhansk Taras Shevchenko National University (LTSNU), Ukraine, Doctorates of Science and Doctorate of Tourism and Information Technology for his contribution to these sectors. He is among the promoters of the Company and is instrumental in its success. He is also the CEO of IEC Group of Institutions.
2. **Past remuneration:** IEC Education Ltd. ₹ 2.50 lac per month including perquisite excluding Provident Fund and Gratuity as per the policy of the Company.
3. **Recognition or awards:**
 - Was conferred with Honorable Doctorate in Information Technology and Sciences by Luhansk Taras Shevchenko National University Ukraine.
 - Nominated for conferring of Honorable Doctorate by UCLAN, UK.
 - Was conferred the BHARAT SHIROMANI PURASKAR by His Excellency Mr Korn Dabarsansi Prime Minister of THAILAND for providing Quality Education to International and National students.
 - Received honors when CSR ranked IEC as NO 1 Emerging Engineering College of Excellence and IEC was RANKED as No2 State Wise amongst Top Engineering Colleges.
 - Awarded with "INTERNATIONAL ACHIEVER'S AWARD for EDUCATION EXCELLENCE" and providing GLOBAL BUSINESS OPPORTUNITIES in SINGAPORE by AIAC (Singapore & Thailand).
4. **Job profile and his suitability:** Dr. Naveen Gupta is designated as Managing Director cum CEO and looking after the whole of the affairs of the Company subject to the control and superintendence of the Board of Directors. He has over 21 years of rich experience in overall management of companies.
5. **Remuneration Proposed:** ₹ 1,50,000/- per month (Rupees One Lac Fifty Thousands Only) as proposed by Remuneration Committee and approved by the Board of Directors, excluding Provident Fund and Gratuity as per the policy of the Company.

6. Comparative Profile w.r.t. industry size of the Company, profile of the position and person : In line with the Industry.
7. **Pecuniary relationship:** He is among the promoters of the Company and is son of Non Executive Director Mr. Ramesh Lal Gupta.

III Other information:

1. **Reasons of loss or inadequate profits:** Due to fierce competition in the industry high Government control, volumes and gross margins declining, Company had posted huge losses in past years, for last four years company is under profit.
2. **Steps taken or:** Merger of VEF Information Systems Pvt. Ltd. with the Company. Infusion of funds by way of equity contribution from promoters and non-promoters, venturing into other Education field from software education.
3. **Expected increase in productivity and volumes:** As per the current and last few years trend.

IV Disclosures:

1. **Remuneration package of the managerial person:** The remuneration package of Dr. Naveen Gupta is disclosed above in the Explanatory Statement attached the Notice to the members. The Board of Directors, therefore, commends the resolution for your approval.

No Director of the Company other than Dr. Naveen Gupta and Mr. R.L. Gupta, relative is concerned or interested in the said resolution.

The above statement and the terms and conditions as stated above may be regarded as an abstract of the terms and condition and memorandum of interest under section 302 of the Companies Act 1956.

Place: New Delhi

Date: 28th August, 2012

By Order of the Board.

Sd/-
Shrey Rustagi
(Company Secretary)

DIRECTOR'S REPORT

To the Members

Your Directors take pleasure in presenting the Eighteenth Annual Report along with Audited Accounts and Auditors' Report for the year ended March, 31, 2012.

Financial Results

(Amount in ₹ Lacs)

Title	Year ended 31.03.2012	Year ended 31.03.2011
Income from Operations	538.08	759.09
Other income	5.67	8.33
Total Expenditure	394.64	572.17
Profit Before Interest, Depreciation & Tax	149.11	192.52
Interest	18.70	3.49
Depreciation & Amortisation	57.38	35.27
Profit Before Tax	73.03	153.76
Provision for Tax (adjusted)	(3.75)	27.42
Profit After Tax	76.78	126.40

Operations and Business Review

The turnover of the Company at ₹ 543.75 lac has shown a decrease of 28.32% as compared to ₹ 765 lac for the previous year. The profit before tax is ₹ 73.03 lac (including exceptional items) last Financial Year it was ₹ 154.07 lac. The lower turnover and operating margins in an environment of cut throat competition and high costs has put severe pressure on the Company's profitability. The profit after tax stood at ₹ 76.78 lac last year it was ₹ 131.06 lac.

Disclosure Pursuant To Clause 5A of Listing Agreement

Pursuant to insertion of clause 5A in listing Agreement as per SEBI notification no. SEBI/CFD/DIL/LA/1/2009/24/04 dated April 24, 2009 the details in respect of the shares lying in the suspense account till March 31, 2011 is as under:

Description / No. of Cases / No. of Shares

- | | |
|---|-------------------------------|
| 1. Aggregate number of shareholders and the outstanding shares in the initiation of suspense account | : 8 shareholders /1700 shares |
| 2. Number of shareholders who approached the Company for transfer of shares from suspense account during the year 2011-12 | : Nil |
| 3. Number of shareholders to whom shares were transferred from suspense account during the year 2010-11 | : NIL |
| 4. Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2012 | : 8 shareholders /1700 shares |

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. Company did't issue any Bonus Issue, Right Issue or any other issue. The paid up capital remain at ₹ 15,26,00,000/- (Rupees Fifteen Crores Twenty Six Lacs only) as on March 31, 2012.

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, Dr. AK Khare, Mr. Rasik Makkar and Mr. HP Singh, Directors of the company, retire by rotation and being eligible, offer themselves for re-appointment.

During the year under consideration Mr. Lal Chand Goel, one of the Non Executive Director resigned from the Board on October 29, 2011, his resignation was accepted by the Board in their Meeting dated October 30, 2011.

Another Director Mr. HR Issarani also left the Board during the current Financial Year on July 26, 2012, his resignation was accepted by Board in their Meeting dated July 30, 2012.

Disclosures

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

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 did't make any fresh Investment.

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.

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.

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

Particulars under section 217(1) (e) of the Companies Act, 1956, read with Companies (Particular of Employees) Rules, 1975, as amended, are given in Annexure B.

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 of the Directors of your Company.

Listing of Shares

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

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

The Listing fee for the year 2012-2013 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 2012-13 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.

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. In two of the subsidiaries Company holds 51% of the Shareholding and 99.72% in remaining one of the Subsidiaries.

- 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, established to run, maintain and manage educational institutes, schools, and conduct classes, training centres and similar activities.
- IEC Education and Infrastructure Ltd. is set up to develop, provide Instructional and Computer Technology including computer education program and computer aided learning and similar activities. Providing Educational Infrastructure & other Infrastructure related to Education sector.

Dividend

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

Reserves

This year reserves of the company stood at Rs. 1894.02 lacs in comparison of Rs. 1817.24 lacs of the last year.

Notes to Accounts

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

Acknowledgment

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: 28th August 2012

Sd/-

Place: New Delhi

Brig. SVS Chowdhry
(Chairman)

ANNEXURE A TO DIRECTOR'S REPORT

Name	Dr. Naveen Gupta
Age	41 Years
Experience	21 yrs
Designation	Managing Director
Qualification	Bachelor of Arts (B.A)
Remuneration	₹ 21,00,000/- (Rupees Twenty One Lacs Only) P.A.*
Date of appointment	June 27, 2008
No. of shares held as on March 31, 2012	38,15,935
Previous employment details	Held designation of Vice President from 30th Oct. 2007 till October 30, 2007 in IEC Education Ltd.
Relationship with any Director of the Company	Son of Mr. R.L Gupta (Non Executive Director)

*₹ 250000 P.M. till June 30, 2011. ₹ 150000 P.M. from July 1, 2011 (subject to approval of shareholders).

Annexure B to Director's Report:

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

Conservation of Energy

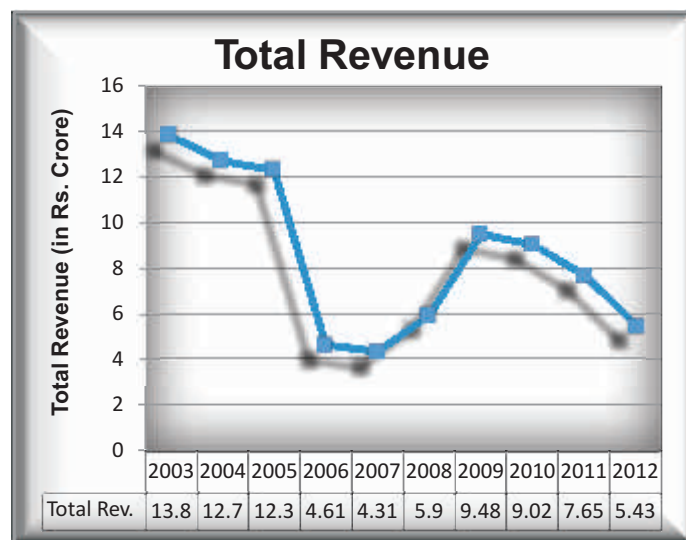
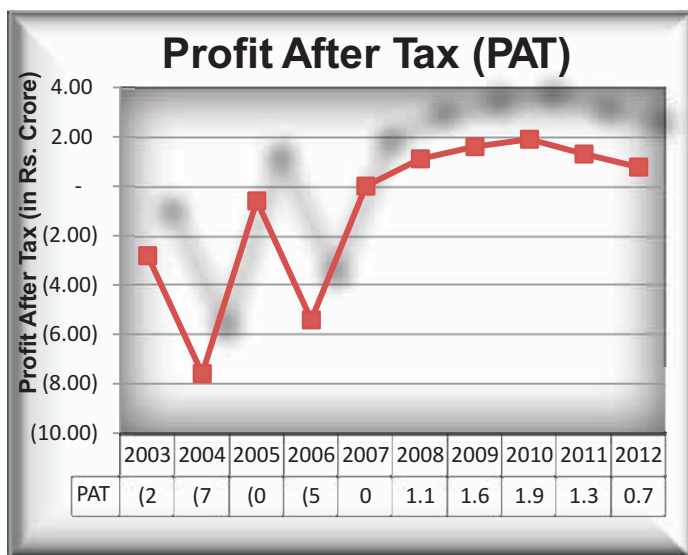
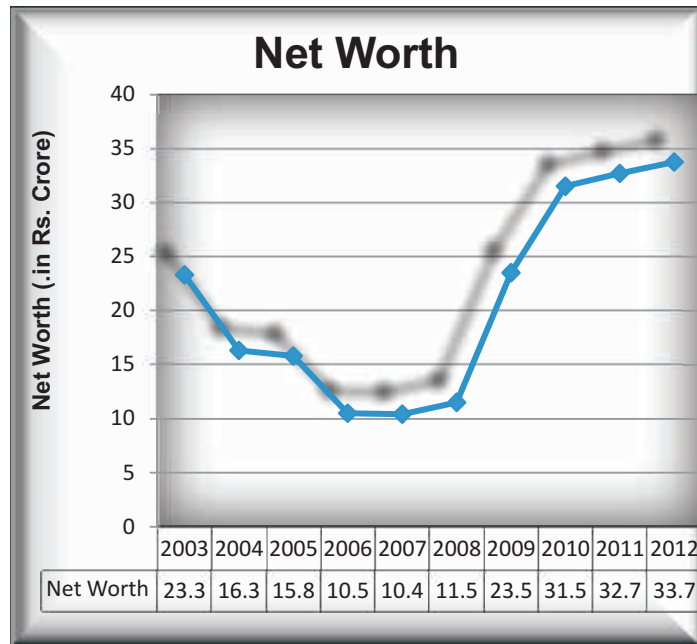
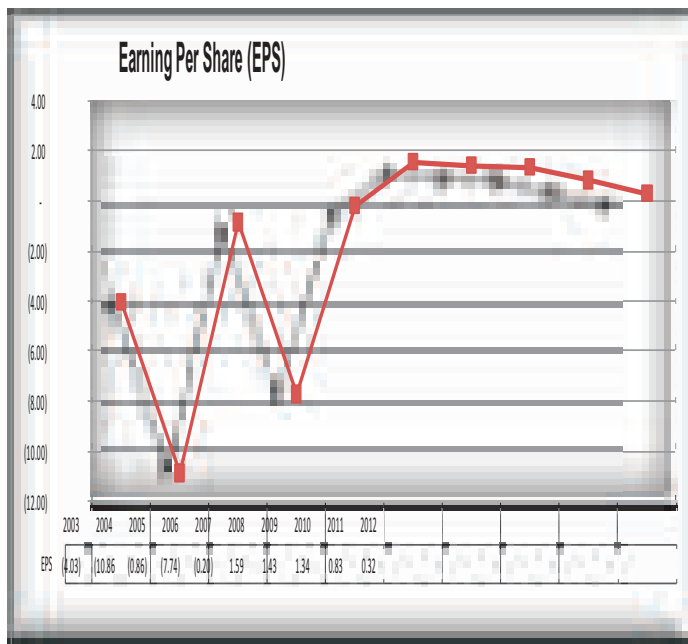
The operations of the Company are not energy intensive. However, as per general policy of the company appropriate measures wherever possible are taken to conserve energy.

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.



CORPORATE GOVERNANCE REPORT

Corporate Governance Philosophy

At IEC, over the years, governance processes and systems have been strengthened and Corporate governance has always been an integral part of the way the business is done. The Company's corporate governance philosophy rests on the pillars of integrity, accountability, equity, transparency and environmental responsibility that conform fully with laws, regulations and guidelines. Company continues to focus on good Corporate Governance and its primary objective is to create and adhere to a corporate culture of conscience and consciousness, integrity, transparency and accountability for efficient and ethical conduct of business for meeting its obligations towards shareholders and other stakeholders.

The Company has always set high targets for the growth, profitability, customer satisfaction, safety and environmental performance and continues its commitment to high standards of corporate governance practices.

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

Board of Directors

The Board of Directors comprised of Nine Directors as on August 28, 2012 among those seven are Independent Directors, constituting more than two-third quarter to the total strength of the Board. The Board is chaired by Independent Director Brig. SVS Chowdhry, only one Director Dr. Naveen Gupta is in executive position and is Managing Director of your company, Mr. RL Gupta is among the only Non Executive Non Independent Director as is Promoter of the Company. The Independent Directors of the Company meet all the criteria mandated by Clause 49 of the Listing Agreement Board follows the Code of Conduct and also give the declaration individually to this effect. The Board's role, functions, responsibilities and accountability are clearly defined. The Board does not have any Nominee Directors, neither any Director is appointed as Additional Director or Alternate Director or filled any Casual Vacancy. During the financial year under discussion.

During the year under consideration Mr. L.C. Goel, One of the Director of the company resigned from Directorship on October 29, 2011, and lately during the current Financial Year 2011-12 Mr. HR Issarani resigned from the Board on July 26, 2012 except this Board remain unchanged.

No Director except Mr. R.L. Gupta and Dr. Naveen Gupta, are relatives 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 2011-12, Your Board of Directors have met Five times, meeting were held on April 29, 2011, August 10, 2011, August 23, 2011, October 31, 2011 and February 08, 2012.

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

S. No.	Name of Director	Director Identification Number	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	00097256	Non – Executive, Independent Chairman	03	Yes	01	NIL
2	Dr. Naveen Gupta	00097128	Executive, Promoter	05	Yes	04	NIL
3	Mr. R.L. Gupta	00097185	Non – Executive, Promoter	05	Yes	03	NIL
4	Mr. Kailash Nath	01409788	Non – Executive, Independent	04	Yes	NIL	NIL
5	Mr. Sarabjit Singh Saini	00104558	Non – Executive, Independent	04	No	NIL	NIL
6	Dr. A.K. Khare	01677626	Non – Executive, Independent	03	Yes	NIL	NIL
7	Mr. Rasik Makkar	00104285	Non – Executive, Independent	05	No	NIL	NIL
8	Mr. J.K. Bholra	02191970	Non – Executive, Independent	05	No	NIL	NIL
9	Mr. H.P. Singh	00927975	Non – Executive, Independent	03	No	NIL	NIL
10.	Mr. H.R. Issarani	00927975	Non – Executive, Independent	03	No	NIL	NIL

Notes:

- The directorships held by the directors, as mentioned above do not include the directorships held in Pvt. Companies, foreign companies and companies under Section-25 of the Companies Act, 1956.
- The committees considered for the purpose are those prescribed under Clause 49 (I) (C) (ii) of the Listing Agreement (s) viz. audit committee and shareholders/investors grievance committee of public limited companies and private limited companies which are public limited companies in terms of section 3 (1) (iv) (c) of the Companies Act, 1956.
- None of the Directors on the Board, are Members of more than ten Committees or Chairman of more than five Committees across all the companies in which they are Directors. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2012 have been made by the Directors.

Shareholding of Directors of the Company (as on March 31, 2012)

Name of the Director	As on March 31, 2012		As on March 31, 2011	
	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. R.L. Gupta*	2255595	NIL	2055595	NIL
Dr. Naveen Gupta*	3815935	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

*Acquisition of shares on account of Inter Se transfers

Details of Board Meeting

The time gap between two meetings was not more than 4 months. Meetings are generally held at Corporate Office at E-216, East of Kailash, New Delhi. All the matters are passed in physical meetings and no matter is considered and approved through circular resolution.

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

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

Powers of Audit Committee

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

The terms of references cover the following:

- I. Regular review of Financial Reporting, Accounting Policies, and disclosure etc.
- II. Qualification on Draft Audit Report.
- III. Review in any change in accounting policies and practices.
- IV. Major accounting entries based on exercise of judgment by Management.
- V. Recommend the appointment and the removal of Statutory and Internal auditor and fixation of audit fee.
- VI. Review the adequacy and compliance of internal control system.
- VII. Review the adequacy and frequency of internal audit function.
- VIII. Discussion with internal auditors any significant findings and follow up thereon.
- IX. Review the Company's financial and risk management Policies.
- X. Compliance with Stock Exchange and Legal requirement concerning financial statement.
- XI. Look into reason for substantial defaults in the payment of the lenders, shareholders and any other creditors.
- XII. Other matter as per Clause 49 of the Listing Agreement.

During the period under review the Audit Committee was reconstituted details of present and past members are 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. H.R. Issarani	Chairman
Dr. A.K. Khare	Member	Non – Executive, Independent	Mr. H.P. Singh	Member
Mr. Sarabjit Singh Saini	Member	Non – Executive, Independent	Mr. Sarabjit Singh Saini	Member

During the Period under review The Audit Committee met Five times, details of meetings were held on April 29, 2011, August 10, 2011, August 23, 2011, October 31, 2011 and February 08, 2012.

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

Name of Director	Category	No. of Meeting held	No. of Meeting Attended
Mr. H. P. Singh	Non – Executive, Independent, Chairman	5	05
Mr. H. R. Issarani*	Non – Executive, Independent, Member	3	Nil
Mr. Sarabjit Singh Saini	Non – Executive, Independent, Member	5	04
Dr. A.K. Khare**	Non – Executive, Independent, Member	2	02

*Chairman / member till the meeting held on October 31, 2011.

** Joined as Chairman /Member on meeting held after October 31, 2011.

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

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 is constituted as follows:

Name of the Members	Status	Category of Directorship
Mr. Sarabjit Singh Saini	Chairman	Non - Executive, Independent
Mr. H.P. Singh	Member	Non - Executive, Independent
Mr. H.R. Issarani *	Member	Non - Executive, Independent
Dr. A.K. Khare	Member	Non - Executive, Independent

*No more member of the Audit Committee due to resignation from post of Directorship on July 26, 2012

The remuneration committee meets as when required. During the Period under review The Remuneration Committee met one time and that meeting was held on October 10, 2011.

The Remuneration / Sitting fees paid to the Directors of the company during the year 2011-12 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	4000/-
Dr. Naveen Gupta	Executive, Promoter	21,00,000/-	NIL
Mr. L.C. Goel	Non – Executive	NIL	3000/-
Mr. R.L. Gupta	Non – Executive, Promoter	NIL	5500/-
Mr. Kailash Nath	Non – Executive, Independent	NIL	4750/-
Mr. Sarabjit Singh Saini	Non – Executive, Independent	NIL	3750/-
Dr. A.K. Khare	Non – Executive, Independent	NIL	4000/-
Mr. Rasik Makkar	Non – Executive, Independent	NIL	4500/-
Mr. J.K. Bhola	Non – Executive, Independent	NIL	4500/-
Mr. H.P. Singh	Non – Executive, Independent	NIL	3000/-
Mr. H.R. Issarani	Non – Executive, Independent	NIL	Nil

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 Remuneration is then fixed by the Board of Directors and if required shareholders approval then it is placed in their General Meeting.
- 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 ₹ 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 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 look into the investors grievances and redressal thereof.
- 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 is reconstituted as under:

Name of the Members	Status	Category of Directorship
Mr. H.P. Singh	Chairman	Non – Executive, Independent
Dr. A.K. Khare	Member	Non – Executive, Independent
Mr. Sarabjit Singh Saini	Member	Non – Executive, Independent

Compliance Officer

Mr Shrey Rustagi, Company Secretary, is the Compliance Officer for complying with the requirements of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 & Company Secretary is responsible for Complying with the requirements of Listing agreements with the Stock Exchanges. The Compliance Officer can be contacted at:

IEC Education Limited
5, Sant Nagar, East of Kailash,
New Delhi- 110065
Tel: +91-11- 26231339
Fax: +91-11-26231340
Email: cs@iecgroupp.in

Details of Complaints received and redressed during the year 2011-12 are here below:

Total NIL Complaints were received during the financial year 2011-2012.

Particulars	Complaints Received	Complaint Redressed	Pending Complaints
Complaints	Nil	Nil	Nil

Total NIL Complaints were received during the financial year 2010- 11.

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, 2012.

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
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
2010-11	September 29, 2011	Sri Sathya Sai International Centre, Lodhi Road, Institutional Area, Pragati Viha r, New Delhi – 110003	10.00 AM

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

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

1. 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, the Company has power in its Articles of Association to pass any resolutions to be passed by shareholders through Postal Ballot.

Procedure for Postal Ballot:

1. After obtaining consent to act as Scrutinizer the Board of Directors appoints Scrutinizer to conduct Postal Ballot process in true, fair and transparent manner.
2. Cut Off date is fixed for identifying shareholders entitled to receive notice of the postal ballot.
3. Board resolution along with calendar of events is filed with Registrar of Companies within one week of the date of the Board Meeting.
4. Postal Ballot Notice along with explanatory statement and Postal Ballot form with instructions are dispatched to shareholders.
5. Company advertises dispatch of postal ballot in one English Newspaper and one Vernacular language.
6. The postal ballot form duly completed and signed should be sent to the Scrutinizer appointed by the Company at the registered office of the Company on or before the close of the Business hours on specified date.
7. Scrutinizer after carrying out postal ballot process submits their Report to the company on the specified date.
8. Result of the postal ballot is declared at the registered office of the company and the same is notified to stock exchanges as well as published in one English Newspaper and one Vernacular language.

Disclosures

a) Related Party Transactions

The required statements/disclosures with respect to the related party transactions, are placed before the audit committee as well as to the Board of directors in terms of Clause 49(IV)(A) and other applicable laws for approval. The Company's major related party transactions are generally with its subsidiaries and associates. The related party transactions are entered into based on consideration of various business exigencies such as synergy in operations, sectoral specialization, liquidity and capital resource of subsidiary and associates.

Transactions with the related parties are disclosed in Notes to Accounts in the Annual Report. No transaction of a material nature has been entered into by the Company with the Directors or Managements and their relatives etc. which may have potential conflict with the interest of the Company. 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) Disclosure of accounting treatment

The Company follows accounting standards notified by Ministry of Corporate Affairs under Accounting Standard Rules, 2006 in the preparation of financial statements, the Company has not adopted a treatment different from that prescribed in any Accounting Standards 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) Management Discussion and Analysis Report

The Management Discussion and Analysis report forms part of this annual report.

e) The Company is prompt in making payments of statutory dues to various statutory authorities like for TDS, PF, etc. other than in exceptional and unforeseen financial circumstances.

f) The Court cases i.e CEP-I and CEP-II are in sub-judice before the Hon'ble Arbitrator with DOE, Govt of NCT, Delhi and income tax appeals are pending for different assessment Years with different authorities like C.I.T appeals and I.T.A.T.

g) Mandatory requirements of Clause 49 have been duly complied with.

a) Company has laid down procedures to inform the members of the Board about the risk assessment and minimization procedures.

b) A certificate from Managing Director and CEO 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 the Financial Express and Jansatta.

The results and other statutory information are displayed on your Company's website 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	:	Monday, September 24, 2012 at 10.00 A.M.
Venue	:	Sri Sathya Sai International Centre, Lodhi Road, New Delhi.
Financial Year	:	2011-12
Book Closure	:	17.09.2012 till 24.09.2012 (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, 2012	:	14294300 shares
Total shares in held in Physical mode as on March 31, 2012	:	965700 shares

The listing fees for the year 2012-13 have been paid to the Stock Exchanges.

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.

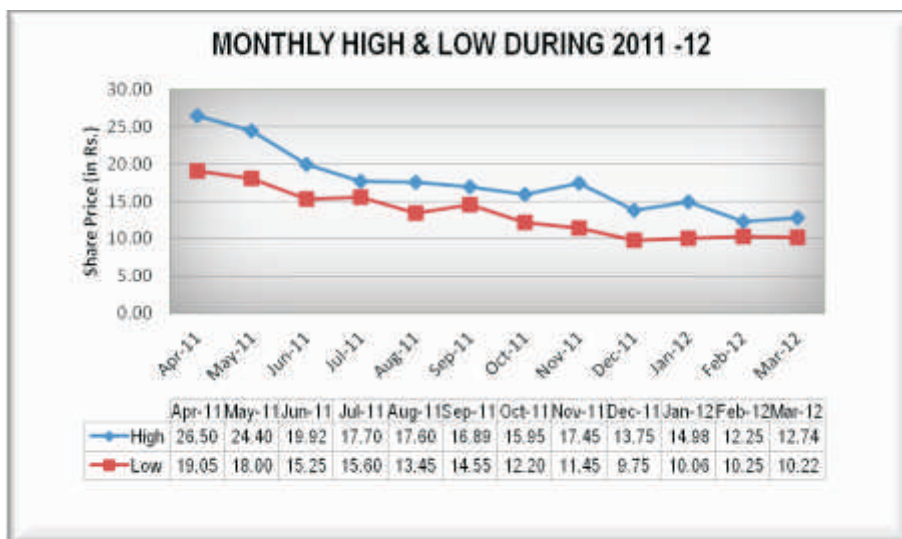
Code of Conduct

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.

Market Price Data: Stock Movement

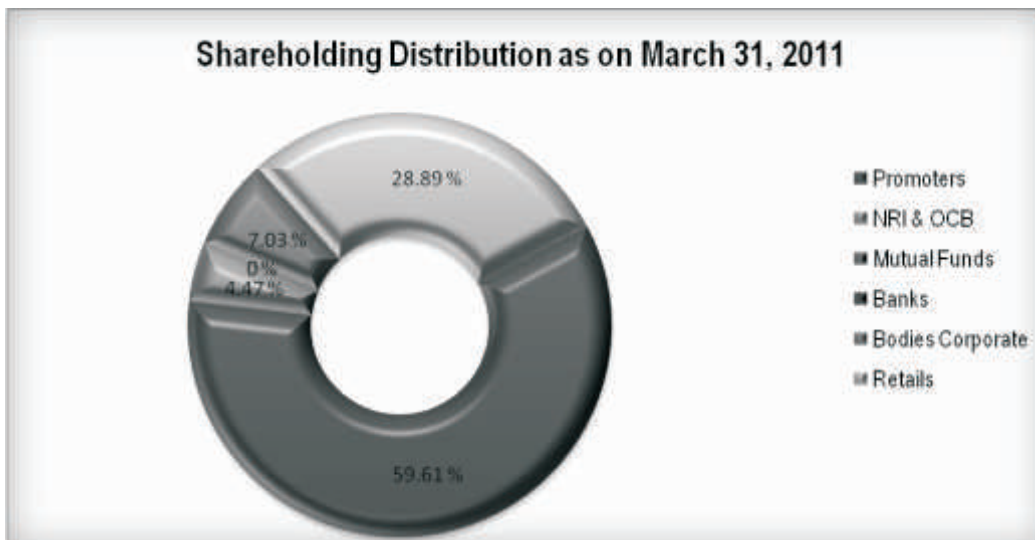
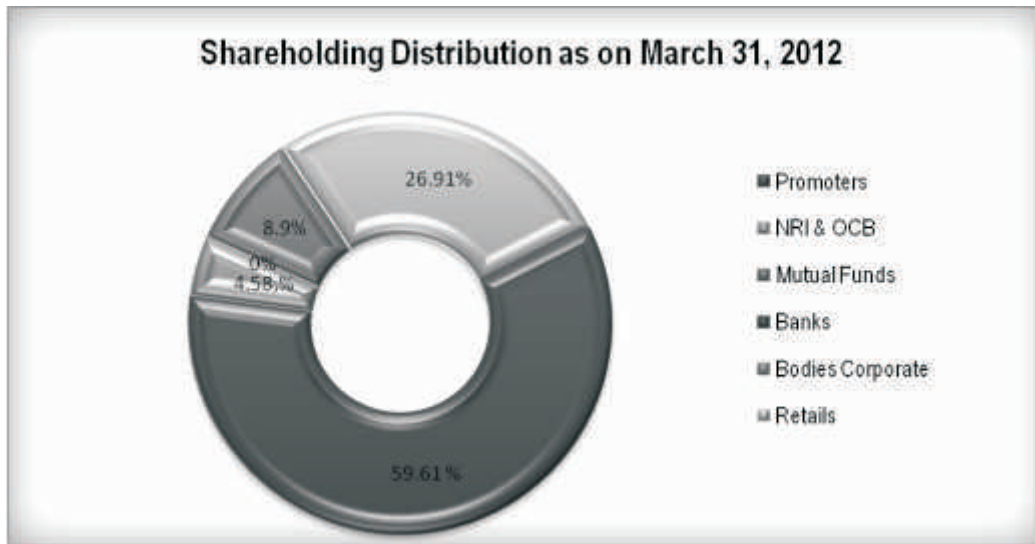
The details of the movement of share prices of IEC Education Ltd. on BSE during the Financial Year 2011-12. (taken from BSE website)

Month	Open	High	Low	Close	No. of Shares	No. of Trades	Total Turnover	* Spread	
								H-L	C-O
Apr 11	19.05	26.50	19.05	23.00	37,846	401	9,13,842	7.45	3.95
May 11	22.45	24.40	18.00	19.20	41,984	345	8,46,454	6.40	-3.25
Jun 11	18.60	19.95	15.25	16.40	21,074	148	3,67,992	4.70	-2.20
Jul 11	15.75	17.70	15.60	17.20	8,962	80	1,48,012	2.10	1.45
Aug 11	16.35	17.60	13.45	14.80	15,656	78	2,51,352	4.15	-1.55
Sep 11	15.49	16.89	14.55	15.40	12,823	122	1,99,369	2.34	-0.09
Oct 11	15.00	15.95	12.20	15.60	8,749	112	1,19,595	3.75	0.60
Nov 11	16.25	17.45	11.45	12.35	12,415	138	1,87,036	6.00	-3.90
Dec 11	12.95	13.75	9.75	10.57	11,039	96	1,27,933	4.00	-2.38
Jan 12	10.06	14.98	10.06	11.99	8,033	96	1,04,735	4.92	1.93
Feb 12	11.99	12.25	10.25	11.30	19,013	133	2,10,069	2.00	-0.69
Mar 12	10.85	12.74	10.22	10.72	1,26,381	99	14,16,892	2.52	10.85



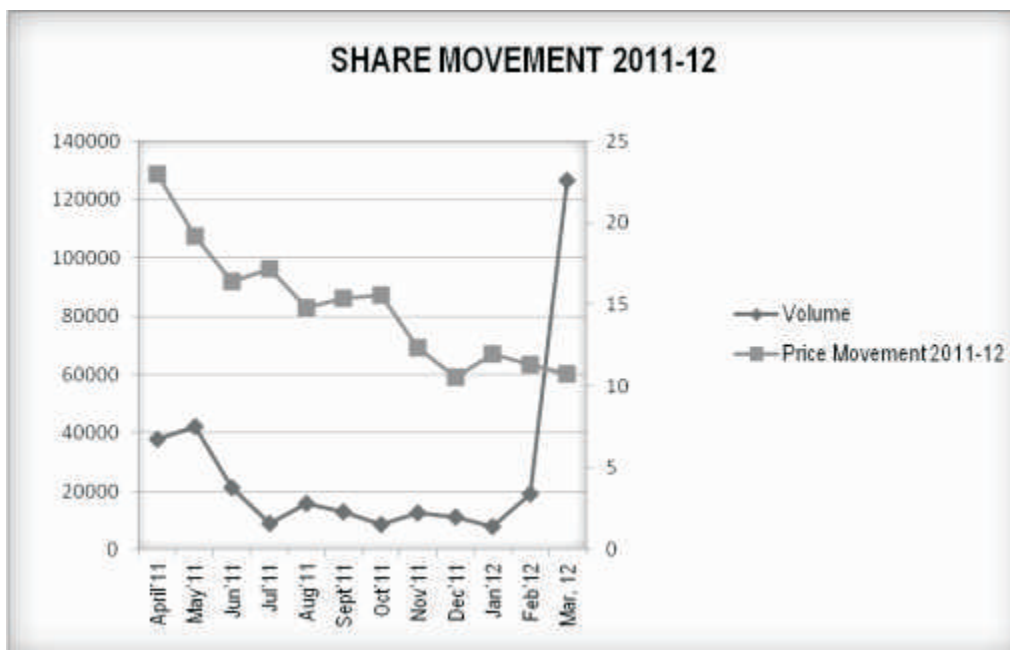
Category Wise Distribution of Share Holding as on March 31, 2011 and March 31, 2012

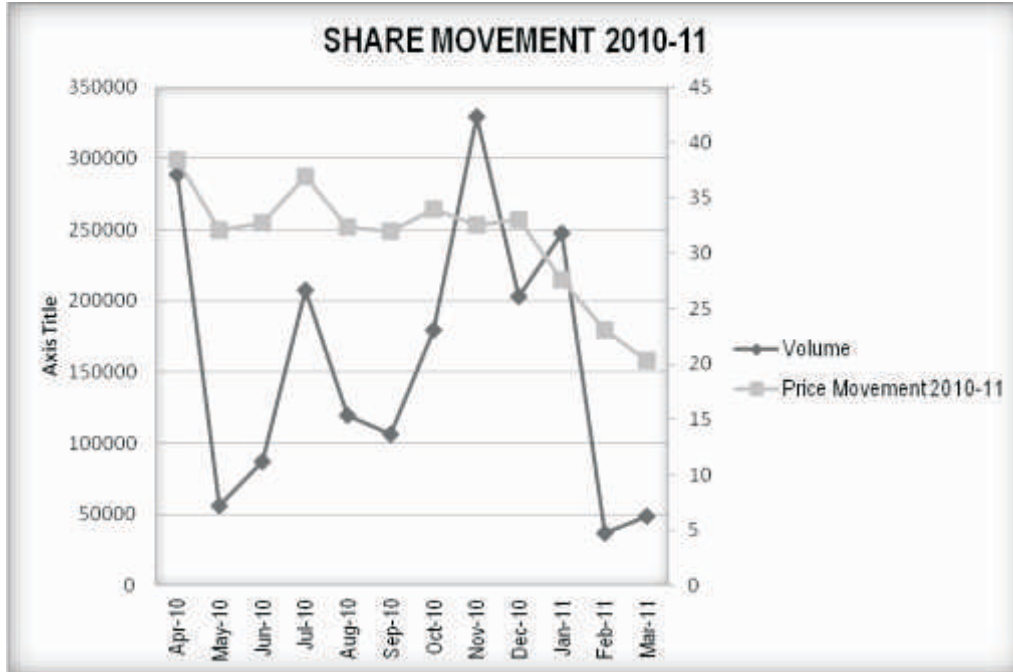
PARTICULARS	2010-11		2011-12	
	No. of Shares as on March 31, 2011	% Age As on March 31, 2011	No. of Shares as on March 31, 2012	% Age As on March 31, 2012
Promoters	9096328	59.61	9095828	59.61
NRI & OCB	682552	4.47	699547	4.58
Mutual Funds	NIL	NIL	NIL	NIL
Banks	100	0.00	100	0.00
Bodies Corporate	1072616	7.03	1358837	8.90
Retails	4408404	28.89	4105688	26.91



The Distribution of the Shareholding of the Company as at 31st March, 2012, is as follows:

Share Holding Rs. (Nominal Value)	Share Holders		Share Holding	
	Number	% to total	Number	% to total
Upto 5000	5255	98.54	1471657	9.64
5001-10000	25	0.47	179326	1.18
10001-20000	11	0.21	162678	1.07
20001-30000	8	0.15	187882	1.30
30001-40000	2	0.04	70683	0.46
40001-50000	3	0.056	125298	0.82
50001-100000	7	0.13	511638	3.35
100001 and above	22	0.41	12540838	82.17
Total				





For and on behalf of Board of Directors

Sd/-
Brig. S.V.S. Chowdhry
Chairman

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 MHRD Reports, Indian Economic Survey, Reports of ASSOCHAM and other government websites and sources.

Industry Overview - Indian Education Sector

India plans to spend 2 - 4% of their GDP on education. Developed countries spend anywhere between 5-6%. India being a Developing nation needs to separate higher portions of its GDP to attain its mission Educated India. Expenditure on education as a proportion of GDP has increased from 2.72 per cent in 2006-07 to 3.11 per cent in 2011-12. The Government proposes to increase the education expenditure to 5% of GDP from the current levels. Further, Increase literacy rate for persons of age 7 years or above to 85%, increase the percentage of each cohort going to higher education from the present 10% to 15% by the end of the plan. India is among the largest higher education system globally and has a network of more than a million schools and thousands of higher education institutions. India's population in the age group of upto 24 years constitutes highest share of the total population. This showcases that most of the country's population falls in the target market for education and related services.

The Government has taken several measures to improve education at the elementary level in the country, the major ones being the implementation of the right of children to free and compulsory education (RTE) Act 2009, the PPP model for education proposed in the Eleventh Five-Year Plan talks about minimal government and social control over education and there was an emphasis about privatisation, and the commercialisation of education using public funds. The plan proposes setting up 6,000 new model schools in secondary education, affiliated to CBSE. Of these, 2,500 (Jawahar Kendriya Vidyalayas) are to be established in the PPP model.

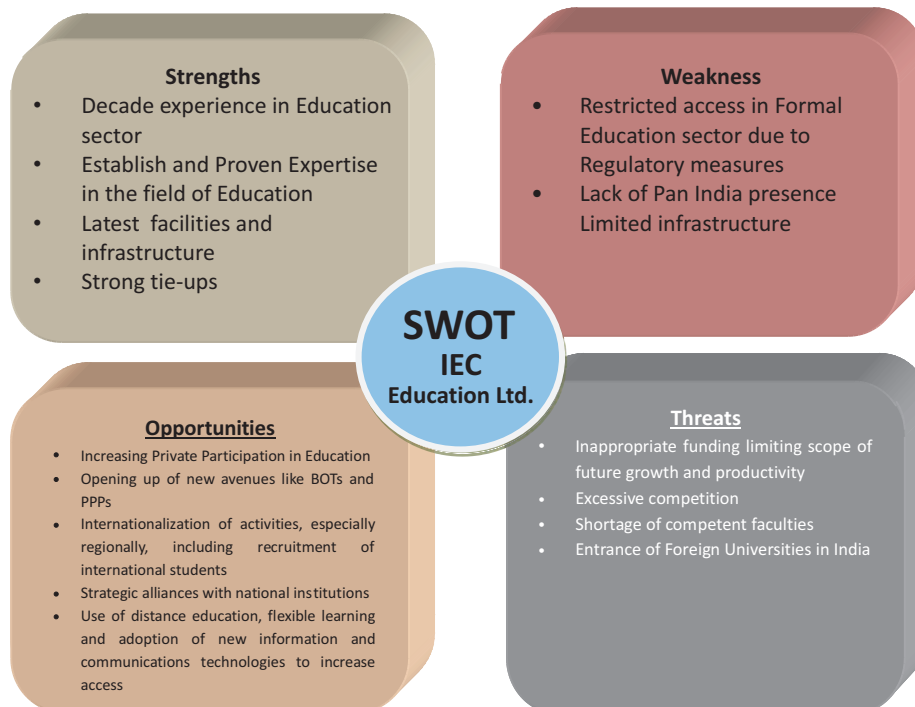
Higher Education sector has witnessed a tremendous increase in its institutional capacity in the years since Independence. The number of Universities/University-level institutions has increased 18 times from 27 in 1950 to 634 in 2012, at the time of independence they were only 20 universities. The number of colleges has also registered manifold increase with just 578 in 1950 to 33,000 in 2012, at the time of independence they were only 500 colleges, Private Sector from the last decade contributes major portion of this development. With the long pending Foreign Educational Institutions Bill 2010, the master Act to deal with the introduction and regulation of Foreign Universities in India, for approval by the Government, University Grant Commission (UGC) nodal authority to regulate universities in India has come out with University Grants Commission (Promotion and Maintenance of Standards of Academic Collaboration between Indian and Foreign educational Institutions) Regulations, 2012 to regulate tie ups with Foreign universities by Indian Universities and the regulation of Foreign Universities in India, these regulations mandate only the institutes graded 'A' by the National Board of Accreditation or the National Assessment and Accreditation Council can collaborate with foreign institutes which is looked as forward step for entry of Foreign Universities in India. The Indian Government aims to improve the Gross Enrolment Ratio (GER) in higher education from 11% in 2009 to 30% in 2020, the corresponding enrolments being 17 mn in 2009 to 29mn by 2018, requiring an additional 12mn seats over this period and the Government looks support of Private Sector to fill this gap.

In higher education segment a large-scale expansion has been initiated during the Eleventh Five Year Plan, new educational institutions under government are set up (8 IIT's / 8 IIM's / 10 NIT's), to address the increasing skill challenges of the Indian IT industry, in 2011-12 the government has approved setting up of twenty new IIITs on a PPP basis. The partners in setting up the IIITs would be the Human Resource development (HRD) Ministry, respective states where each IIIT will be established, and industry. Completion of the project is targeted in nine years from 2011-12 to 2019-20. Centrally sponsored Vocationalisation of Secondary Education scheme is revised for the remaining

period of the Eleventh Plan, i.e. 2012, that includes strengthening of existing vocational schools and establishment of 100 new ones through state governments, assistance to 500 vocational schools under the PPP mode, in-service training of seven days for 2000 existing vocational teachers and induction training of 30 days for 1000 new ones and others.

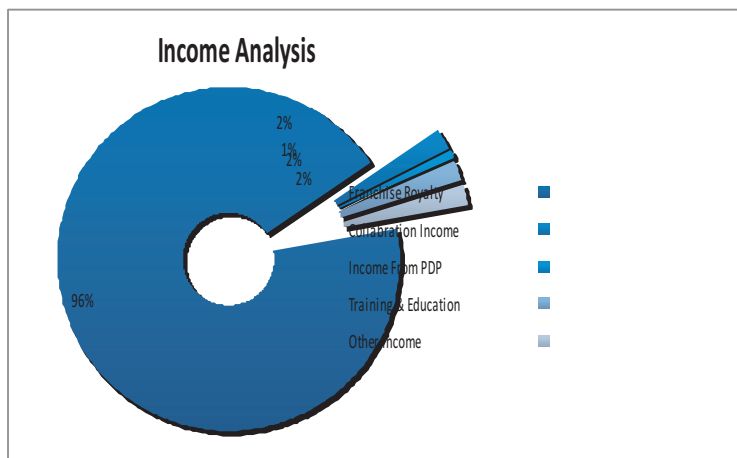
Also, in India private final consumption expenditure on education is on the rise. This shows that with an increase in per capita income, people are willing to spend more on education once their basic needs of food and clothing are satisfied. Exciting prospects lie ahead for the Indian Education sector. We believe that segments like multimedia, pre schools, K- 12 and higher education, vocational education provide huge opportunities within the education sector. Being in its nascent stage, we expect the sector to grow at a strong pace over the next few years. With robust growth in the service sector in India, it is expected that further proliferation in demand for quality educational services and growth in this sector.

However, the regulatory issues i.e. requirements of Higher Education, schools, Non Vocational courses required to be run under Non Profit Organisations are still seen as a roadblocks to the development of Private Sector participation. Though, some recent initiatives by Government say opening of Leasing option for schools by CBSE, UGC regulations on entrance of foreign universities, increasing initiatives in PPP models and BOOT models and other initiatives show some sign of leverage and deregulation and positiveness in Private participation however they are not enough for the optimum utilisation of the Private sector resources.



Review of Operations

Segment Wise Performance



Fiscal Year 2011-12 remained moderate for your company. The largest share of revenue continues to be generated by personality development program (PDP) segment with IT franchisee's and ICT business contribution their bit. Although the demand in the Vocational Courses rise in past few years the new entrants keeps the competition tight. Your company as its motto believed in providing the quality rather than making figures as the long run success is based on excellence and quality.

During the financial year under consideration company had successfully provided PDP program services to few of the niche colleges of Northern India.

As stated earlier PDP sector is intensely competed with few top entrants in recent times, due to easy entry of the Vocational Course sector the supply remains over. Service sector understands good personality traits are need of the hour and sometimes even the best of the knowledge ignored out of the weak communications, Educational Institutes believe in outsourcing personality development to the professionals to come best out of their students. Company had generated revenues of ₹ 472.41 lac from this segment.

Training and Education Income including Information and communications Technology (ICT) contributed ₹ 62.01 lac, last year revenues were ₹ 38.98 lacs from this segment forming 11.40% of the total revenues. The company has tie up (Collaboration) with trust / society namely Vocational Education Foundation (VEF) and Vocational Education Trust (VET) jointly explore the education sector whereon company provide financial and strategical support in the success of educational institutions run by them. Company directly and through its subsidiaries is planning to more widely explore this sector and provide infrastructure and management support to these institutes and other new institutions. Company is still keen to do new ICT projects subject to it generates sizable revenues. In past times company completed ICT projects awarded by Government of Rajasthan and Madhya Pradesh and Delhi.

IT Franchise segment had contributed ₹ 2.13 lacs during the period under review in comparison to the ₹ 11.45 lacs last year.

Expenditure

During the Financial Year under consideration total expenditure were ₹ 470.72 lac in comparison to the ₹ 610.93 lac reported last Financial year, a decrease of ₹ 140.21 lac, 22.95 %. Training & education expenses forms the largest part of expenditure with ₹ 205.37 lac in comparison of ₹ 205.78 lac last year. Employee benefits expenses stood at ₹ 59.87 lac in comparison to ₹ 66.55 lac last Financial Year. Depreciation amounts to ₹ 57.38 lac last year it was ₹ 35.27 lac.

Fixed Assets

The Fixed Assets of the company had increased by ₹ 286.07 lacs and presently stood at ₹ 767.19 lacs.

Future Outlook

In the past years India has witnessed strong growth with per capita income is on rise the demand for Qualitative education has seen new graphs all of which indicate favourable demographics for India's population. With increased share of Government's GDP contribution, enactment of Right to Education Act last FY increasing initiatives for Public Private Partnership (PPP), Built Own Operate Transfer (BOOT) models, there looks a huge opportunity for private players to participate and excel in the education distribution process.

Company is currently providing PDP programs services to some of the niche colleges of Northern India and is planning to add more colleges under his kitty. ICT projects of the State Governments are on downturn, company keeps the policy to bid for the selective sizable Projects. Company has collaborations with Vocational Education Foundation (VEF) to jointly explore projects in Education. VEF is on the rise with plans to set up new Engineering Colleges with recently started their own University at Baddi, admission started for Academic Session 2012-13, the University is full fledged Private University with courses under different streams. Company is in talks with VEF to provide Educational, Management and Infrastructure services to University and new Institutions. Company also has similar arrangement with Vocational Education Trust (VET), an Education domain trust. VET is in process to start up chain of Schools starting from Alwar, Company may provide Educational, Management and Infrastructure services for them. Company is also planning to revive its IT Franchise Business with suitable new models are looked out for.

Personnel Assets

Company always has an encouraging work environment that leads to higher caliber and encouragement among employees, contribute to the overall growth and performance of the personnel while adhering to the highest degree of quality and integrity. Company believes that even a pin of an organisation matter that is every employee irrelevant the place he holds is a contribution in the growth of the company.

Company have a talent retention team which audit the performance of employees and try to make the employee's contribution in his work as Qualitative as possible. Being the part of educational industry Company believes that the long run success earthed on the work force and becomes the most important Asset of your organisation.

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.

For and on behalf of Board of Directors

Sd/-
Brig. S.V.S. Chowdhry
Chairman

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, 2012, 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.

As required by the guidance note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained, there were no investor's grievances remaining unattended/pending for more than 30 days as at 31st March, 2012.

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:- 28th August, 2012

For NATH & HARI
Chartered Accountants
FR No: 007403N

(Kailash Hari)
M.No:- 82285
Partner

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, 2012, the Statement of profit and Loss 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, Statement of profit and Loss and Cash flow Statement dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, Statement of profit and Loss 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, 2012 and taken on record by the Board of Directors, we report that the none of the Directors is disqualified as on 31st March, 2012 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: 2.8 of Notes to accounts regarding non registration of title deeds in respect of one premises;
 - (ii) Note No.:2.23 at serial no.2 of Notes to accounts regarding adjustments of entries arising out of confirmation/reconciliation of the accounts of parties and banks;
 - (iii) Note No.2.23 at serial no.5 of Notes to accounts regarding non provision of trade receivables and long term loans and advances considered doubtful amounting to ₹ 128.85 lacs and ₹ 38.03 lacs 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, 2012.
- II. In the case of the Statement of profit and Loss, 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:- 28th August, 2012

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, 2012)

- 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 Clause (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 Companies Act, 1956. Accordingly Clause (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. Except Income Tax of ₹ 12.04 lacs and TDS of ₹ 0.13 lacs.

There are no dues of any aforesaid nature outstanding that have not been deposited on account of any disputes.

- 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:- 28th August, 2012

For NATH & HARI
Chartered Accountants
FR No: 007403N

(Kailash Hari)
M.No:- 82285
Partner

IEC EDUCATION LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2012

(₹ in Lacs)

Sl. No.	Particulars	Note No.	As at 31st March, 2012		As at 31st March, 2011	
I	<u>EQUITY AND LIABILITIES</u>					
1	Shareholders' funds					
	(a) Share capital	2.1	1,526.00		1,526.00	
	(b) Reserves and surplus	2.2	1,894.02	3,420.02	1,817.24	3,343.24
2	Non-current liabilities					
	(a) Long term borrowings	2.3		167.34		10.04
	(b) Other long-term liabilities			-		-
	(c) Long-term provisions			-		-
3	Current liabilities					
	(a) Short term borrowings	2.4	170.60		170.60	
	(a) Trade payables	2.5	20.28		44.31	
	(b) Other current liabilities	2.6	32.79		23.23	
	(c) Short term provisions	2.7	8.62	232.29	18.78	256.92
	Total			3,819.65		3,610.20
II	<u>ASSETS</u>					
1	<u>Non-current assets</u>					
	(a) Fixed assets					
	Tangible assets	2.8	767.19		538.50	
	(b) Non-current investments	2.9	76.00		76.00	
	(c) Deferred tax assets (net)	2.10	21.59		29.29	
	(d) Long-term loans & advances	2.11	1,535.80		1,559.72	
	(e) Other non-current assets	2.12	-	2,400.58	1.04	2,204.55
2	<u>Current assets</u>					
	(a) Trade receivables	2.13	668.55		896.07	
	(b) Cash & bank balances	2.14	396.88		371.08	
	(c) Short-term loans & advances	2.15	353.64	1,419.07	138.50	1,405.65
	(d) Other current assets			-		-
	Total			3,819.65		3,610.20
	Significant accounting policies	1				
	Notes to accounts	2				
	The notes are an integral part of the financial statements					

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:- 28th August, 2012

For and on Behalf of the Board

Brig. S.V.S Chowdhry (Chairman)
Naveen Gupta (Managing Director)
R.L Gupta (Director)
Rasik Makkar (Director)
H.P Singh (Director)

Kailash Nath (Director)
Sarabjit S. Saini (Director)
A.K. Khare (Director)
J.K. Bhola (Director)
Shrey Rustagi (Company Secretary)
Ashutosh Kr. Jha (Accounts Manager)

IEC EDUCATION LIMITED 

PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31/03/2012

(₹ in Lacs)

Sl. No.	Particulars	Note No.	Year ended 31st March, 2012		Year ended 31st March, 2011	
I	Revenue from operations	2.16		538.08		759.40
II	Other Income	2.17		5.67		5.60
	Total Revenue			543.75		765.00
III	Expenses :					
(a)	Training & education expenses	2.18		205.37		205.78
(b)	Employee benefits expenses	2.19		59.87		66.55
(c)	Other expenses	2.20		129.40		299.84
(d)	Finance costs	2.21		18.70		3.49
(e)	Depreciation and amortisation expenses	2.22		57.38		35.27
	Total Expenses			470.72		610.93
IV	Profit before exceptional items and tax (III-IV)			73.03		154.07
V	Exceptional items			-		-
VI	Profit before extraordinary items tax (V-VI)			73.03		154.07
VII	Extraordinary items			-		-
VIII	Profit before Tax (VI-VII)			73.03		154.07
IX	Tax expense					
a	Current tax		(17.08)		(31.34)	
b	Write back of excess provision for tax/income tax refund related to earlier years (net)		28.53		4.41	
c	Deferred tax		(7.70)	3.75	3.92	(23.01)
X	Profit for the year			76.78		131.06
XI	Earnings per share					
a	Basic (₹)			0.32		0.83
b	Diluted (₹)			0.32		0.83
	Significant accounting policies	1				
	Notes to accounts	2				
	The notes are an integral part of the financial statements					

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:- 28th August, 2012

For and on Behalf of the Board

Brig. S.V.S Chowdhry (Chairman)
Naveen Gupta (Managing Director)
R.L Gupta (Director)
Rasik Makkar (Director)
H.P Singh (Director)

Kailash Nath (Director)
Sarabjit S. Saini (Director)
A.K. Khare (Director)
J.K. Bholra (Director)
Shrey Rustagi (Company Secretary)
Ashutosh Kr. Jha (Accounts Manager)

IEC EDUCATION LIMITED 

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2012

(₹ in Lacs)

Particulars	Year ended		Year ended	
	31st March, 2012		31st March, 2011	
A) CASH FLOW FROM OPERATING ACTIVITIES				
Profit before exceptional items and tax		73.03		154.07
Adjustments to reconcile profit before exceptional items and tax to net cash flow provided by operating activities				
Depreciation and amortisation expense	57.38		35.27	
Miscellaneous Expenditure written off	1.04		1.04	
Bad debts written off	0.00		30.00	
Interest Paid	18.70		3.49	
Interest Received	(5.46)	71.66	(5.44)	64.36
Operating Profit before working capital changes		144.69		218.43
Adjusted for :				
(Increase)/Decrease in Trade and other receivables	36.30		(216.31)	
Increase/(Decrease) in Trade payables	(26.01)	10.29	10.71	(205.60)
Cash generated from operation		154.98		12.83
Income tax paid / Refunds received (Net)		12.85		(10.74)
Net Cash (used) in / from Operating Activities		167.83		2.10
B) CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets	(286.07)		(4.72)	
Interest received	5.46		5.44	
Investments	0.00		(40.80)	
Net Cash (used) in / from Investing Activities		(280.61)		(40.09)
C) CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds of Long Term and other borrowings	157.30		(27.33)	
Repayment of Long Term and other borrowings	0.00		(16.23)	
Interest Paid	(18.70)		(3.49)	
Net Cash(used)in/ from Financing Activities		138.60		(47.05)
Net increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		25.82		(85.05)
Cash and Cash Equivalents-Opening Balance		371.06		456.11
Cash and Cash Equivalents-Closing Balance		396.88		371.06

1. The above Cash Flow Statement has been prepared under the " Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statement notified under the Companies (Accounting Standards) Rules,2006.
2. Cash and cash equivalents include ₹ 1.99 lacs (Previous year ₹ 2.87 lacs) on account of fixed deposit earmarked and pledged which are not available for use in the Company.
3. Cash and cash equivalents as at the balance sheet date consists of :

	Particulars	As at 31st March, 2012	As at 31st March, 2011
a)	Balance with bank on current account	81.43	329.78
b)	Cheques on hand	272.62	-
c)	Cash on hand	40.84	38.41
d)	Fixed Deposit (earmarked and pledged)	1.99	2.87
	Total	396.88	371.06

4. Figure in brackets represent cash out flow from respective activities.
5. As breakup of Cash and cash equivalents is also available in Note No.2.14 reconciliation of items of Cash and cash equivalents as per Cash Flow Statement with the equivalents items reported in the Balance Sheet is not required and hence not provided.
6. Due to adoption of Revised Schedule VI in preparation of current year's financial statements previous year's financial statements figures for the year ended 31st March, 2011 in Cash Flow Statement have been reclassified to confirm to Current Year's classification.

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:- 28th August, 2012

For and on Behalf of the Board

Brig. S.V.S Chowdhry (Chairman)
Naveen Gupta (Managing Director)
R.L Gupta (Director)
Rasik Makkar (Director)
H.P Singh (Director)

Kailash Nath (Director)
Sarabjit S. Saini (Director)
A.K. Khare (Director)
J.K. Bhola (Director)
Shrey Rustagi (Company Secretary)
Ashutosh Kr. Jha (Accounts Manager)

I. SIGNIFICANT ACCOUNTING POLICIES

1.1 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.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as up to twelve months for the purpose of current and non-current classification of assets and liabilities.

1.2 Change in Accounting Policy

The financial statements for the year ended March 31, 2011, had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended March 31, 2012, are prepared as per the Revised Schedule VI. Accordingly the previous year figures have also been reclassified to conform to this year's classification. The adoption of Revised Schedule VI for previous year figures does not impact any recognition and measurement principles followed for the preparation of financial statements.

1.3 Fixed assets

- 1) Tangible 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) Intangible fixed assets are stated at cost less amortization.

1.4 Depreciation and Amortization

- 1) Depreciation on tangible 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 intangible 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.

1.5 Investments

- 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 net realizable value.

1.6 Employee Benefits

Short term employee benefits are recognized as an expense at the undiscounted amount in the Statement of 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.

1.7 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.

1.8 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.

1.9 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.

1.10 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.

1.11 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 in the statement of Profit and Loss Account in the year in which they are incurred.

1.12 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 statement of 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.

1.13 Impairment of Assets

The carrying amount of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Statement of 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.

1.14 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.

IEC EDUCATION LIMITED

Notes forming part of the Financial Statements

2. Notes to accounts

Note 2.1 : Share Capital

(₹ in Lacs)

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	No. of shares	Amount	No. of shares	Amount
(a) Authorised: Equity shares of ₹ 10/- each	21000000	2,100.00	21000000	2,100.00
(b) Issued, subscribed and fully paid up: Equity shares of ₹ 10/- each	15260000	1,526.00	15260000	1,526.00
		1,526.00		1,526.00

- c) There is no change in the number of shares outstanding at the beginning and at the end of the period.
- d) The company does not have any holding company.
- e) The company has only one class of equity shares having par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per shares. In the event of liquidation of the company, the holders of equity shares will be entitled to receive assets of the company. The distribution will be in proportion to the number of equity shares held by the shareholders.
- f) The details of shareholders holding more than 5% of the equity shares in the Company:

Name of the shareholders	As at 31st March, 2012		As at 31st March, 2011	
	No. of shares held	% of Total paid up equity share capital	No. of shares held	% of Total paid up equity share capital
1 Navin Gupta	3815935	25.01	2,038,525	13.36
2 R L Gupta	2255595	14.78	2,055,595	13.47
3 Shalini Gupta	2147835	14.07	2,147,835	14.07
4 Sharda Gupta	-	-	1,777,410	11.65
Total	8,219,365	53.86	8,019,365	52.55

- g) The company has issued an aggregate of 50,00,000 upto 31/03/2012 (Previous period 50,00,000 upto 31/03/2011) equity shares in the last five years immediately preceding the balance sheet date to the warrant holders upon conversion of sharewarrants into fully paid equity shares of ₹ 10/- each.
- (h) The company has issued an aggregate of 32,60,000 upto 31/03/2012 (Previous period 32,60,000 upto 31/03/2011) equity shares of ₹ 10/- each without payment being received in cash in the last 5 years immediately preceding the balance sheet date pursuant to the scheme of arrangement.

Note 2.2 : Reserves and Surplus

(₹ in Lacs)

Particulars	As at 31st March, 2012		As at 31st March, 2011	
(a) Capital reserves				
Balance as per last account	60.00		60.00	
Addition during the year	-	60.00	-	60.00
(b) Securities premium account				
Balance as per last account	1,050.12		1,050.12	
Addition during the year	-	1,050.12	-	1,050.12
(c) General reserves				
Balance as per last account	222.34		222.34	
Addition during the year	-	222.34	-	222.34
(d) Surplus in the Statement of Profit and Loss				
Balance as per last account	484.78		353.72	
Profit for the year	76.78	561.56	131.06	484.78
		1,894.02		1,817.24

- e) General reserve is primarily created to comply with the requirements of Section 205 (2A) of the Companies Act, 1956. This is a free reserve and can be utilized for any general purpose like issue of bonus shares, payment of dividend, buy back of shares etc.

Note 2.3 : Long-term borrowings

(₹ in Lacs)

Particulars	As at 31st March, 2012		As at 31st March, 2011	
Secured				
Term loan from banks		167.34		10.04
		167.34		10.04

- a) Nature & Securities: Term loan from banks is secured by charge by way of hypothecation of vehicles purchased under Vehicle Finance Scheme.
- b) Repayment Terms:
 35 monthly instalments of ₹ 1,76,140/- from 15-08-2011
 35 monthly instalments of ₹ 1,93,980/- from 05-06-2011
 35 monthly instalments of ₹ 1,93,980/- from 05-06-2011
 36 monthly instalments of ₹ 1,43,873/- from 15-07-2011
- c) The interest rate for above term loan varies from 10.75% to 13.33%

Note 2.4 : Short-term borrowing

(₹ in Lacs)

Particulars	As at 31st March, 2012		As at 31st March, 2011	
(a) Secured				
Term loan from bank (Refer Note No. C. given below)		2.41		2.41
(b) Unsecured				
Term loan from others		168.19		168.19
		170.60		170.60

c) Short Term Loan from ICICI Bank is secured by hypothecation of Computers. The entire amount has been long overdue

Note 2.5 : Trade payables

(₹ in Lacs)

Particulars	As at 31st March, 2012		As at 31st March, 2011	
Total outstanding dues of Micro, Small and Medium Enterprises (To the extent identified with available information)		-		-
Total outstanding dues other than Micro, Small and Medium Enterprises		20.28		44.31
		20.28		44.31

Note 2.6 : Other current liabilities

(₹ in Lacs)

Particulars	As at 31st March, 2012		As at 31st March, 2011	
Other payables :-				
1 Statutory dues		20.24		5.85
2 Others		12.55		17.38
		32.79		23.23

Note 2.7 : Short-term provisions

(₹ in Lacs)

Particulars	As at 31st March, 2012		As at 31st March, 2011	
Provisions for :-				
Employee benefits		3.05		2.59
Income tax (net of tax)		5.57		16.19
		8.62		18.78

Note 2.8 : Fixed assets

Particulars	Tangible assets						Intangible assets	Grand total
	Land (lease hold)	Building	Plant and equipment	Office equipment	Furniture & fixtures	Vehicle	Goodwill	
Gross block :								
Gross carrying amount as at 01/04/2011	50.01	322.54	92.26	49.05	166.67	65.04	10.00	755.58
Addition during the year	-	-	11.92	-	-	274.15	-	286.07
Disposals/deductions during the year	-	-	-	-	-	-	-	-
Gross carrying amount as at 31.03.2012	50.01	322.54	104.18	49.05	166.67	339.19	10.00	1041.65
Depreciation/amortisation								
Opening accumulated depreciation/amortisation	-	42.90	55.72	22.86	68.56	17.04	10.00	217.08
Depreciation /amortisation for the year	-	5.26	11.07	2.33	10.55	28.17	-	57.38
Disposals/deductions during the year	-	-	-	-	-	-	-	-
Closing accumulated depreciation/amortisation	-	48.16	66.79	25.19	79.11	45.21	10.00	274.46
Net block as at 31/03/2012	50.01	274.39	37.40	23.86	87.56	293.97	0.00	767.19

Note2.8 : Fixed assets (previous period)

Particulars	Tangible assets						Intangible assets	Grand total
	Land (lease hold)	Building	Plant and equipment	Office equipment	Furniture & fixtures	Vehicle	Goodwill	
Gross block :								
Gross carrying amount as at 01/04/2010	50.01	322.54	89.69	46.90	166.67	65.04	10.00	750.86
Addition during the year	-	-	2.57	2.16	-	-	-	4.72
Disposals/deductions during the year	-	-	-	-	-	-	-	-
Gross carrying amount as at 31.03.2011	50.01	322.54	92.26	49.05	166.67	65.04	10.00	755.58
Depreciation/amortisation								
Opening accumulated depreciation/amortisation	-	37.64	45.24	20.63	58.01	10.29	10.00	181.81
Depreciation /amortisation for the year	-	5.26	10.48	2.23	10.55	6.75	-	35.27
Disposals/deductions during the year	-	-	-	-	-	-	-	-
Closing accumulated depreciation/amortisation	-	42.90	55.72	22.86	68.56	17.04	10.00	217.08
Net block as at 31/03/2011	50.01	279.64	36.54	26.19	98.11	48.00	-	538.50

Notes: a) The Building purchased by the Company at M-92, Connught Place, New Delhi, from the promoters in the earlier years is yet to be registered in the Company's name.

Note 2.9 : Non current investments

(₹ in Lacs)

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	No. of shares	Amount	No. of shares	Amount
Non trade investments				
Unquoted (Valued at cost)				
In equity shares of companies				
Fully paid up:				
Subsidiary companies:				
IEC Leasing & Capital Mgt. Ltd.	250,000	25.00	250,000	25.00
IEC Learning & Mgt. Ltd.	255,000	25.50	255,000	25.50
IEC Education & Infrastructure Ltd.	255,000	25.50	255,000	25.50
OTHERS				
IEC infotech sdn.bhd.				
Shares of Malaysian ringetts one each (Rupees value 12.45/- per Ringett)	2	0.00	2	0.00
		76.00		76.00

Note 2.10 : Deferred tax assets (net)

(₹ in Lacs)

Particulars	As at 31st March, 2012		As at 31st March, 2011	
Deferred tax assets				
Provision allowed under tax on payment basis		369.04		368.73
Deferred tax liabilities				
Accumulated depreciation		347.45		339.44
		21.59		29.29

Note 2.11 : Long-term loans and advances

(unsecured, considered good unless stated otherwise)

(₹ in Lacs)

Particulars	As at 31st March, 2012		As at 31st March, 2011	
Capital advance		175.00		175.00
Loans & advances to related parties		7.00		7.00
Security deposits		1,268.25		1,268.86
Other loans & advances				
Others		85.55		108.86
		1,535.80		1,559.72

Note 2.12 : Other non current assets (unsecured, considered good unless stated otherwise)

(₹ in Lacs)

Particulars	As at 31st March, 2012		As at 31st March, 2011	
MISC . EXPENDITURE				
(To the extent not written off or adjusted)				
Deferred Revenue Expenditure		-		1.04
		-		1.04

Note 2.13 : Trade receivables (unsecured, considered good)

(₹ in Lacs)

Particulars	As at 31st March, 2012		As at 31st March, 2011	
Trade receivables outstanding for a period exceeding six months		633.79		821.23
Other trade receivables		34.76		74.84
		668.55		896.07

Note 2.14 : Cash and bank balances

(₹ in Lacs)

Particulars	As at 31st March, 2012		As at 31st March, 2011	
Cash & Cash Equivalents				
Balances with banks on current accounts		81.43		329.78
Cheques on Hand		272.62		-
Cash on hand		40.84		38.43
Other bank balances				
Fixed deposit (earmarked and pledged)		1.99		2.87
		396.88		371.08

Note 2.15 : Short-term loans and advances (unsecured, considered good)

(₹ in Lacs)

Particulars	As at 31st March, 2012		As at 31st March, 2011	
Capital advances		105.00		103.50
Other loans & advances				
Others		248.64		35.00
		353.64		138.50

Note 2.16 : Revenue from operations

(₹ in Lacs)

Particulars	Year ended 31st March, 2012		Year ended 31st March, 2011	
	(a) Franchises royalty		2.13	
(b) Income from personality dev. Programme (PDP)		472.41		706.23
(c) Diploma charges		1.53		2.74
(d) Training & education income		62.01		38.98
Total		538.08		759.40

Note 2.17 : Other income

(₹ in Lacs)

Particulars	Year ended 31st March, 2012		Year ended 31st March, 2011	
	Interest income		5.46	
Other non operating income				
Miscellaneous income		0.21		0.16
Total		5.67		5.60

Note 2.18 : Training & education expenses

(₹ in Lacs)

Particulars	Year ended		Year ended	
	31st March, 2012		31st March, 2011	
Consultancy charges		1.71		4.51
Courses execution charges		127.19		121.53
Franchises expenses		4.15		10.53
P.D.P expenses		72.32		69.21
Total		205.37		205.78

Note 2.19 : Employee benefits expenses

(₹ in Lacs)

Particulars	Year ended		Year ended	
	31st March, 2012		31st March, 2011	
Salaries, bonus, gratuity & allowances		31.29		29.35
Director,s remuneration		21.00		30.00
Contribution to provident and other fund		0.88		0.83
Staff welfare expenses		6.70		6.37
Total		59.87		66.55

Note 2.20 : Other expenses

(₹ in Lacs)

Particulars	Year ended		Year ended	
	31st March, 2012		31st March, 2011	
Auditor's remuneration		2.90		2.92
Bad debts written off		-		30.00
Bus & taxi hire charges		4.21		12.91
Bank charges		0.88		0.26
Directors' sitting fees		0.37		0.39
General meeting expenses		2.47		2.41
Water and electricity expenses		0.02		0.17
Ignou expenses		1.78		7.40
Inst.of hospitality management expenses		1.47		7.01
Rent rates and taxes		3.30		0.06
Miscellaneous expnses		17.25		43.59
Photography expenses		2.96		9.10
Insurance		0.03		1.22
Legal & Profession expenses		0.37		11.42
Share transfer expenses		0.82		0.61
Students welfare expenses		4.18		11.64
Postage & telephone expenses		3.32		7.60
Printing & stationery		8.75		18.85
Repairs & maintenance building		16.46		24.57
Repairs & maintenance plant & machinery		16.92		26.42
Repairs & maintenance others		10.02		12.29
Sanitation watch & ward		7.85		12.19
Vehicle running & maintenance		3.61		18.67
Advertisement expenses		3.20		10.63
Conference & seminar		8.36		12.34
Miscellaneous expenditure written off		1.04		1.04
Penalties		-		0.11
Travelling expenses		6.86		14.02
Total		129.40		299.84

Note 2.21 : Finance costs

(₹ in Lacs)

Particulars	Year ended 31st March, 2012		Year ended 31st March, 2011	
Interest expense				
On long-term borrowings		18.54		2.46
Others		0.16		1.03
Total		18.70		3.49

Note 2.22 : Depreciation and amortization expenses

(₹ in Lacs)

Particulars	Year ended 31st March, 2012		Year ended 31st March, 2011	
Depreciation on tangible assets		57.38		35.27
Total		57.38		35.27

NOTE NO. 2.23 - OTHER DISCLOSURES ➤

1) Contingent Liabilities not provided for:

	Current Year	Previous Year
a) Claims against the company not acknowledged as debt	72.84	72.84
b) Bank Guarantee	0.00	0.80

2) In view of the confirmation not having been obtained from the Trade receivables, Loans and Advances (both Long-term and Short-term) and Trade payables 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.

3) In the opinion of the Board of Directors, the Tangible Fixed Assets, the Trade receivables and Loans and Advances (both Long-term & Short-term) 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.

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

	Current Year	Previous Year
Audit Fee	2.21	1.93
Tax Audit Fee	0.33	0.33
Misc. Certification & Other Charges	0.36	0.66
	-----	-----
	2.90	2.92
	-----	-----

5) No provision for doubtful Trade receivable and Long term loans & advances of ₹ 128.85 lac (Previous year ₹ 128.85 lac) and ₹ 38.03 (Previous year ₹ 69.69) respectively has been made because in the opinion of management, these amounts are still good in nature and management is hopeful of their recovery.

6) The Subsidiaries Companies combined made a net Loss of ₹ 8.34 for the year ended 31st March, 2012. This loss together with the brought forward loss of ₹ 33.26 has been carried to the Balance Sheet. The holding Company's Share of loss out of ₹ 41.60 has not been dealt with in the holding Company's books of accounts.

- 7) 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:

(₹ in Lacs)

Particulars	Deferred Tax (Assets)/Liabilities as at 01/04/2011	Current Year Charges/ (Credit)	Deferred Tax (Assets)/Liabilities as at 31/03/2012
Deferred Tax Assets :			
Provision allowed under tax on payments basis	368.73	0.31	369.04
	368.73	0.31	369.04
Deferred Tax Liabilities :			
Accumulated Depreciation	332.49	8.01	340.50
Payments allowed under tax not expensed in books	6.95	0.00	6.95
	339.44	8.01	347.45
Net Deferred Tax Assets	29.29	(7.70)	21.59

8) Segment Reporting (AS)-17

Primary Segment Information-Business Segment

(₹ in Lacs)

Particulars	Training & Education	P.D.P Receipts	Others	Total
Revenue :-				
Revenue External	62.01 (47.32)	472.41 (706.23)	9.33 (11.45)	543.75 (765.00)
Inter Segment	- (-)	- (-)	- (-)	- (-)
Total Revenue	62.01 (47.32)	472.41 (706.23)	9.33 (11.45)	543.75 (765.00)
Results Segment Results (Profit before tax)	-77.89 (-92.41)	156.80 (262.18)	-5.88 (-15.71)	73.03 (154.06)
Income Tax :- Current Tax	- (-)	- (-)	- (-)	-17.08 (31.34)
Deferred Tax	- (-)	- (-)	- (-)	-7.70 (3.92)
Written back of provision for Tax	- (-)	- (-)	- (-)	28.53 (4.41)
Net Profit	- (-)	- (-)	- (-)	76.78 (131.06)

Other Information :-				
Assets	1134.12 (1247.02)	829.30 (716.56)	24.31 (23.85)	1987.73 (1987.43)
Unallocated Corporate Assets	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	1810.33 (1603.16)
Total	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	3798.06 (3590.59)
Liabilities	168.19 (168.18)	0.00 (10.04)	167.34 (0.00)	335.53 (178.22)
Unallocated Corporate Liabilities	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	64.10 (103.77)
Total	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	399.63 (281.99)
Depreciation	3.67 (3.52)	51.69 (29.80)	2.02 (1.95)	57.38 (35.27)
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)	57.38 (35.27)
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.

9) Earning Per Share (EPS):

(₹ in Lacs)

Particulars	2011-2012	2010 - 2011
(A) Basic EPS :		
(i) Net Profit attributable to Equity Shareholders (₹)	48.25	126.64
(ii) Weighted average number of Equity Shares Outstanding (Nos.)	15260000	15260000
Basic EPS (₹) (i) / (ii)	0.32	0.83
(B) Diluted EPS :		
(i) Net Profit attributable to Equity Shareholders (₹)	48.25	126.64
(ii) Weighted average number of Equity Shares Outstanding	15260000	15260000
Diluted EPS (₹) B (i)/B (ii)	0.32	0.83
Face Value per shares (in ₹)	10.00	10.00

10) 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
Vocational Educational Trust
IEC College of Engg. & Technology

c) Directors of the Company:

Brig. S.V.S. Chowdhry	Non Executive Director
Dr. Naveen Gupta	Managing Director
Mr. R.L. Gupta	Non Executive Director
Mr. Kailash Nath	Non Executive Director
Mr. Sarabjit Singh Saini	Non Executive Director
Mr. Rasik Makker	Non Executive Director
Mr. H.P Singh	Non Executive Director
Dr. A.K. Khare	Non Executive Director
Mr. J.K. Bhola	Non Executive Director

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

Mrs. Shalini Gupta
Mr. Dheeraj Mangal

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

(₹ in Lacs)

Nature of transaction	Referred in 10 (a)	Referred in 10 (b)	Referred in 10 (c)	Referred In 10 (d)	Total (₹)
- Director's sitting fees			0.37 (0.39)		0.37 (0.39)
- Income received during the year		268.99 (25.00)			268.99 (25.00)
- Remuneration paid during the year			21.36 (30.36)		21.36 (30.36)
- Amount received during the year		328.19 (452.28)	0.00 (32.00)	0.00 (7.68)	328.19 (491.96)
- Amount paid during the year		328.19 (652.28)	0.00 (57.78)	0.00 (1.66)	328.19 (711.72)
- Security given during the year		0.00 (200.00)	0.00 (0.00)	0.00 (0.00)	0.00 (200.00)
-Investment made during the year	0.00 (40.80)				0.00 (40.80)

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

- 11) 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.
- 12) Previous year's expenditure accounted for under the respective heads of accounts during the current year is ₹ 5.96 lac (Previous year ₹ 0.07 lac)
- 13) 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

- 14) 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:- 28th August, 2012

For and on Behalf of the Board

Brig. S.V.S Chowdhry (Chairman)
Naveen Gupta (Managing Director)
R.L Gupta (Director)
Rasik Makkar (Director)
H.P Singh (Director)

Kailash Nath (Director)
Sarabjit S. Saini (Director)
A.K. Khare (Director)
J.K. Bholia (Director)
Shrey Rustagi (Company Secretary)
Ashutosh Kr. Jha (Accounts Manager)

Statement Pursuant To Section 212 of The Companies Act,1956 Relating to Subsidiary Companies

Sl No.	Name of the Subsidiary Companies	IEC Leasing & Capital Management Ltd	IEC Learning & Management Ltd	IEC Education & Infrastructure Ltd
1.	Financial year of the Subsidiaries Company ended on	March, 31,2012	March,31,2012	March, 31,2012
2.	Holding Company's Interest			
	a) Number of Shares fully paid	2.50	2.55	2.55
	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 Ltd	₹	₹	₹
	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	0.04	(2.12)	(2.15)
	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	(24.69)	(2.15)	(2.18)

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:- 28th August, 2012

For and on Behalf of the Board

Brig. S.V.S Chowdhry (Chairman)
Naveen Gupta (Managing Director)
R.L Gupta (Director)
Rasik Makkar (Director)
H.P Singh (Director)

Kailash Nath (Director)
Sarabjit S. Saini (Director)
A.K. Khare (Director)
J.K. Bhola (Director)
Shrey Rustagi (Company Secretary)
Ashutosh Kr. Jha (Accounts Manager)

AUDITOR'S REPORT ON 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, 2012, the Consolidated Statement of Profit & Loss 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, 2012;
 - II. In the case of the consolidated statement of profit & loss, 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.

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:- 28th August, 2012

For and on Behalf of the Board

Brig. S.V.S Chowdhry (Chairman)
Naveen Gupta (Managing Director)
R.L Gupta (Director)
Rasik Makkar (Director)
H.P Singh (Director)

Kailash Nath (Director)
Sarabjit S. Saini (Director)
A.K. Khare (Director)
J.K. Bholra (Director)
Shrey Rustagi (Company Secretary)
Ashutosh Kr. Jha (Accounts Manager)

IEC EDUCATION LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012

(₹ in Lacs)

Sl. No.	Particulars	Note No.	As at	
			31st March, 2012	31st March, 2011
I	<u>EQUITY AND LIABILITIES</u>			
1	Shareholders' funds			
	(a) Share capital	2.1	1,525.60	1,525.60
	(b) Reserves and surplus	2.2	1,861.05	1,788.22
			3,386.65	3,313.82
2	Minority interest		40.73	44.84
3	Non-current liabilities			
	(a) Long-term borrowings	2.3	167.34	10.04
	(b) Other long-term liabilities		-	-
	(c) Long-term provisions		-	-
4	Current liabilities			
	(a) Short term borrowings	2.4	170.60	170.60
	(a) Trade payables	2.5	20.28	44.31
	(b) Other current liabilities	2.6	33.10	23.47
	(c) Short term provisions	2.7	8.64	18.78
			232.62	257.16
	Total		3,827.34	3,625.86
II	<u>ASSETS</u>			
1	<u>Non-current assets</u>			
	(a) Fixed assets			
	Tangible assets	2.8	767.19	538.50
	(b) Non-current investments	2.9	0.00	0.00
	(c) Deferred tax assets (net)	2.10	21.59	29.29
	(d) Long-term loans & advances	2.11	1,535.80	1,559.73
	(e) Other non-current assets	2.12	0.71	2.46
			2,325.29	2,129.98
2	<u>Current assets</u>			
	(a) Trade receivables	2.13	668.55	896.07
	(b) Cash & bank balances	2.14	479.86	461.31
	(c) Short-term loans & advances	2.15	353.64	138.50
	(d) Other current assets		-	-
			1,502.05	1,495.88
	Total		3,827.34	3,625.86
	Significant accounting policies	1		
	Notes to accounts	2		
	The notes are an integral part of the financial statements			

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:- 28th August, 2012

For and on Behalf of the Board

Brig. S.V.S Chowdhry (Chairman)
Naveen Gupta (Managing Director)
R.L Gupta (Director)
Rasik Makkar (Director)
H.P Singh (Director)

Kailash Nath (Director)
Sarabjit S. Saini (Director)
A.K. Khare (Director)
J.K. Bhola (Director)
Shrey Rustagi (Company Secretary)
Ashutosh Kr. Jha (Accounts Manager)

IEC EDUCATION LIMITED

CONSOLIDATED PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

(₹ in Lacs)

Sl. No.	Particulars	Note No.	Year ended 31st March, 2012		Year ended 31st March, 2011	
I	Revenue from operations	2.16		538.08		759.40
II	Other Income	2.17		6.12		5.60
III	Total Revenue			544.20		765.00
IV	Expenses :					
(a)	Training & education expenses	2.18		205.37		205.78
(b)	Employee benefits expenses	2.19		64.13		69.50
(c)	Other expenses	2.20		133.63		301.58
(d)	Finance costs	2.21		18.70		3.49
(e)	Depreciation and amortisation expenses	2.22		57.38		35.27
	Total Expenses			479.21		615.62
V	Profit before exceptional and extraordinary items and tax (III-IV)			64.99		149.38
VI	Exceptional items			-		-
VII	Profit before extraordinary items and tax (V-VI)			64.99		149.38
VIII	Extraordinary items			-		-
IX	Profit before tax (VII-VIII)			64.99		149.38
	Tax expense :					
a	Current tax		(17.10)		(31.34)	
b	Write back of excess provision for tax/income tax refund related to earlier years (net)		28.53		4.41	
c	Deferred tax		(7.70)	3.73	3.92	(23.01)
X	Profit before minority interest			68.72		126.37
	Minority interest			4.11		2.25
XI	Profit for the year			72.83		128.62
XII	Earnings per share					
	Basic (Rs.)			0.26		0.80
	Diluted (Rs.)			0.26		0.80
	Significant accounting policies	1				
	Notes to accounts	2				
	The notes are an integral part of the financial statements					

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:- 28th August, 2012

For and on Behalf of the Board

Brig. S.V.S Chowdhry (Chairman)
Naveen Gupta (Managing Director)
R.L Gupta (Director)
Rasik Makkar (Director)
H.P Singh (Director)

Kailash Nath (Director)
Sarabjit S. Saini (Director)
A.K. Khare (Director)
J.K. Bhola (Director)
Shrey Rustagi (Company Secretary)
Ashutosh Kr. Jha (Accounts Manager)

IEC EDUCATION LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2012

(₹ in Lacs)

Particulars	Year ended 31st March, 2012		Year ended 31st March, 2011	
A) CASH FLOW FROM OPERATING ACTIVITIES				
Profit before exceptional items and tax		64.99		149.38
Adjustments to reconcile profit before exceptional items and tax to net cash flow provided by operating activities				
Depreciation and amortisation expense	57.38		35.27	
Miscellaneous Expenditure written off	1.75		1.75	
Bad debts written off	0.00		30.00	
Interest Paid	18.70		3.49	
Interest Received	(5.46)	72.37	(5.44)	65.07
Operating Profit before working capital changes		137.36		214.45
Adjusted for :				
(Increase)/Decrease in Trade and other receivables	36.30		(216.31)	
Increase/(Decrease) in Trade payables	(25.95)	10.35	10.78	(205.53)
Cash generated from operation		147.71		8.92
Income tax paid / Refunds received (Net)		12.85		(10.74)
Net Cash (used) in / from Operating Activities		160.56		(1.82)
B) CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets	(286.07)		(4.72)	
Interest received	5.46		5.44	
Investments	0.00		0.00	
Net Cash (used) in / from Investing Activities		(280.61)		0.72
C) CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds of Long Term and other borrowings	157.30		(27.33)	
Repayment of Long Term and other borrowings	0.00		(16.23)	
Issue of share capital			39.20	
Interest Paid	(18.70)		(3.49)	
Net Cash(used)in/ from Financing Activities		138.60		(7.85)
Net increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		18.55		(8.95)
Cash and Cash Equivalents-Opening Balance		461.31		470.26
Cash and Cash Equivalents-Closing Balance*		479.86		461.31

1. The above Cash Flow Statement has been prepared under the " Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statement notified under the Companies (Accounting Standards) Rules,2006.
2. Cash and cash equivalents include ₹ 1.99 lacs (Previous year ₹ 2.87 lacs) on account of fixed deposit earmarked and pledged which are not available for use in the Company.
3. Cash and cash equivalents as at the balance sheet date consists of:

(₹ in Lacs)

	Particulars	As at 31st March, 2012	As at 31st March, 2011
a)	Balance with bank on current account	81.50	379.67
b)	Cheques on hand	322.62	-
c)	Cash on hand	73.75	78.77
d)	Fixed Deposit (earmarked and pledged)	1.99	2.87
	Total	479.86	461.31

4. Figure in brackets represent cash out flow from respective activities.
5. As breakup of Cash and cash equivalents is also available in Note No.2.14 reconciliation of items of cash and cash equivalents as per Cash Flow Statement with the equivalents items reported in the Balance Sheet is not required and hence not provided.
6. Due to adoption of Revised Schedule VI in preparation of current year's financial statements previous year's financial statements figures for the year ended 31st March, 2011 in Cash Flow Statement have been reclassified to confirm to Current Year's classification.

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:- 28th August, 2012

For and on Behalf of the Board

Brig. S.V.S Chowdhry (Chairman)
Naveen Gupta (Managing Director)
R.L Gupta (Director)
Rasik Makkar (Director)
H.P Singh (Director)

Kailash Nath (Director)
Sarabjit S. Saini (Director)
A.K. Khare (Director)
J.K. Bholra (Director)
Shrey Rustagi (Company Secretary)
Ashutosh Kr. Jha (Accounts Manager)

IEC EDUCATION LIMITED

Notes forming part of the Consolidated Financial Statements

2. Notes to consolidated accounts

Note 2.1 : Share capital

(₹ in Lacs)

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	No. of shares	Amount	No. of shares	Amount
(a) Authorised:				
Equity shares of ₹ 10/- each	21000000	2,100.00	21000000	2,100.00
(b) Issued, subscribed and fully paid up:				
Equity shares of ₹ 10/- each	15256000	1,525.60	15256000	1,525.60
		1,525.60		1,525.60

- c) There is no change in the number of shares outstanding at the beginning and at the end of the period.
- d) The company has only one class of equity shares having par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per shares. In the event of liquidation of the company, the holders of equity shares will be entitled to receive assets of the company. The distribution will be in proportion to the number of equity shares held by the shareholders.
- e) The details of shareholders holding more than 5% of the equity shares in the Company:

Name of the shareholders	As at 31st March, 2012		As at 31st March, 2011	
	No. of shares held	% of Total paid up equity share capital	No. of shares held	% of Total paid up equity share capital
1 Navin Gupta	3815935	25.01	2,038,525	13.36
2 R L Gupta	2255595	14.78	2,055,595	13.47
3 Shalini Gupta	2147835	14.07	2,147,835	14.07
4 Sharda Gupta	-	-	1,777,410	11.65
Total	8,219,365	53.86	8,019,365	52.55

- f) The company has issued an aggregate of 50,00,000 upto 31/03/2012 (Previous period 50,00,000 upto 31/03/2011) equity shares in the last five years immediately preceding the balance sheet date to the warrant holders upon conversion of sharewarrants into fully paid equity shares of ₹ 10/- each.
- g) The company has issued an aggregate of 32,60,000 upto 31/03/2012 (Previous period 32,60,000 upto 31/03/2011) equity shares of ₹ 10/- each without payment being received in cash in the last 5 years immediately preceding the balance sheet date pursuant to the scheme of arrangement.

Note 2.2 : Reserves and surplus

(₹ in Lacs)

Particulars	As at 31st March, 2012		As at 31st March, 2011	
(a) Capital reserves				
Balance as per last account	60.00		60.00	
Addition during the year	-	60.00	-	60.00
(b) Securities premium account				
Balance as per last account	1,050.12		1,050.12	
Addition during the year	-	1,050.12	-	1,050.12
(c) General reserves				
Balance as per last account	222.34		222.34	
Addition during the year	-	222.34	-	222.34
(d) Surplus in the Statement of Profit and Loss				
Balance as per last account	455.76		327.14	
Profit for the year	72.83	528.59	128.62	455.76
		1,861.05		1,788.22

- e) General Reserve is primarily created to comply with the requirements of Section 205 (2A) of the Companies Act, 1956. This is a free reserve and can be utilised for any general purpose like issue of bonus shares, payment of dividend, buy back of shares etc.

Note 2.3 : Long-term borrowings

(₹ in Lacs)

Particulars	As at 31st March, 2012		As at 31st March, 2011	
Secured				
Term loan from banks		167.34		10.04
		167.34		10.04

- a) Nature & Securities: Term loan from banks is secured by charge by way of hypothecation of vehicles purchased under Vehicle Finance Scheme.
- b) Repayment Terms:
 35 monthly instalments of ₹ 1,76,140/- from 15-08-2011
 35 monthly instalments of ₹ 1,93,980/- from 05-06-2011
 35 monthly instalments of ₹ 1,93,980/- from 05-06-2011
 36 monthly instalments of ₹ 1,43,873/- from 15-07-2011
- c) The interest rate for above term loan varies from 10.75% to 13.33%

Note 2.4 : Short-term borrowing

(₹ in Lacs)

Particulars	As at 31st March, 2012		As at 31st March, 2011	
(a) Secured				
Term loan from bank (Refer Note No. C. given below)		2.41		2.41
(b) Unsecured				
Term loan from others		168.19		168.19
		170.60		170.60

c) Short Term Loan from ICICI Bank is secured by hypothecation of Computers. The entire amount has been long overdue

Note 2.5 : Trade payables

(₹ in Lacs)

Particulars	As at 31st March, 2012		As at 31st March, 2011	
Total outstanding dues of Micro, Small and Medium Enterprises (To the extent identified with available information)		-		-
Total outstanding dues other than Micro, Small and Medium Enterprises		20.28		44.31
		20.28		44.31

Note 2.6 : Other current liabilities

(₹ in Lacs)

Particulars	As at 31st March, 2012		As at 31st March, 2011	
Other payables :-				
1 Statutory dues		20.24		5.85
2 Others		12.86		17.62
		33.10		23.47

Note 2.7 : Short-term provisions

(₹ in Lacs)

Particulars	As at 31st March, 2012		As at 31st March, 2011	
Provisions for :-				
Employee benefits		3.05		2.59
Income tax (net of tax)		5.59		16.19
		8.64		18.78

Note 2.8 : Fixed assets

Particulars	Tangible assets						Intangible assets	Grand total
	Land (lease hold)	Building	Plant and equipment	Office equipment	Furniture & fixtures	Vehicle	Goodwill	
Gross block :								
Gross carrying amount as at 01/04/2011	50.01	322.54	92.26	49.05	166.67	65.04	10.00	755.58
Addition during the year	-	-	11.92	-	-	274.15	-	286.07
Disposals/deductions during the year	-	-	-	-	-	-	-	-
Gross carrying amount as at 31.03.2012	50.01	322.54	104.18	49.05	166.67	339.19	10.00	1041.65
Depreciation/amortisation								
Opening accumulated depreciation/amortisation	-	42.90	55.72	22.86	68.56	17.04	10.00	217.08
Depreciation /amortisation for the year	-	5.26	11.07	2.33	10.55	28.17	-	57.38
Disposals/deductions during the year	-	-	-	-	-	-	-	-
Closing accumulated depreciation/amortisation	-	48.16	66.79	25.19	79.11	45.21	10.00	274.46
Net block as at 31.03.2012	50.01	274.39	37.40	23.86	87.56	293.97	0.00	767.19

Note 2.8 : Fixed assets (previous period)

Particulars	Tangible assets						Intangible assets	Grand total
	Land (lease hold)	Building	Plant and equipment	Office equipment	Furniture & fixtures	Vehicle	Goodwill	
Gross block :								
Gross carrying amount as at 01/04/2010	50.01	322.54	89.69	46.90	166.67	65.04	10.00	750.86
Addition during the year	-	-	2.57	2.16	-	-	-	4.72
Disposals/deductions during the year	-	-	-	-	-	-	-	-
Gross carrying amount as at 31.03.2011	50.01	322.54	92.26	49.05	166.67	65.04	10.00	755.58
Depreciation/amortisation								
Opening accumulated depreciation/amortisation	-	37.64	45.24	20.63	58.01	10.29	10.00	181.81
Depreciation /amortisation for the year	-	5.26	10.48	2.23	10.55	6.75	-	35.27
Disposals/deductions during the year	-	-	-	-	-	-	-	-
Closing accumulated depreciation/amortisation	-	42.90	55.72	22.86	68.56	17.04	10.00	217.08
Net block as at 31.03.2011	50.01	279.64	36.54	26.19	98.11	48.00	-	538.50

Notes: a) The Building purchased by the Company at M-92, Connught Place, New Delhi, from the promoters in the earlier years is yet to be registered in the Company's name.

Note 2.9 : Non current investments

(₹ in Lacs)

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	No. of shares	Amount	No. of shares	Amount
Non trade investments				
Unquoted (Valued at cost)				
IEC infotech sdn.bhd.				
Shares of Malaysian Ringetts one each (` .value 12.45/- per ringett)	2	0.00	2	0.00
		0.00		0.00

Note 2.10 : Deferred tax assets (net)

(₹ in Lacs)

Particulars	As at 31st March, 2012		As at 31st March, 2011	
Deferred tax assets				
Provision allowed under tax on payment basis		369.04		368.73
Deferred tax liabilities				
Accumulated depreciation		347.45		339.44
		21.59		29.29

Note 2.11 : Long-term loans and advances (unsecured, considered good unless stated otherwise)

(₹ in Lacs)

Particulars	As at 31st March, 2012		As at 31st March, 2011	
Capital advance		175.00		175.00
Loans & advances to related parties		7.00		7.00
Security deposits		1,268.25		1,268.87
Other loans & advances				
Others		85.55		108.86
		1,535.80		1,559.73

Note 2.12 : Other non current assets (unsecured, considered good unless stated otherwise)

(₹ in Lacs)

Particulars	As at 31st March, 2012		As at 31st March, 2011	
MISC . EXPENDITURE (To the extent not written off or adjusted)				
Preliminary & pre operative expenses		0.71		1.42
Deferred revenue expenditure		-		1.04
		0.71		2.46

Note 2.13 : Trade receivables (unsecured, considered good)

(₹ in Lacs)

Particulars	As at 31st March, 2012		As at 31st March, 2011	
Trade receivables outstanding for a period exceeding six months		633.79		821.23
Other trade receivables		34.76		74.84
		668.55		896.07

Note 2.14 : Cash and bank balances

(₹ in Lacs)

Particulars	As at 31st March, 2012		As at 31st March, 2011	
Cash & Cash Equivalents				
Balances with banks on current accounts		81.50		379.67
Cheques on hand		322.62		-
Cash on hand		73.75		78.77
Other bank balances				
Fixed deposit (earmarked and pledged)		1.99		2.87
		479.86		461.31

Note 2.15 : Short-term loans and advances (unsecured, considered good)

(₹ in Lacs)

Particulars	As at 31st March, 2012		As at 31st March, 2011	
Capital advances		105.00		103.50
Other loans & advances				
Others		248.64		35.00
		353.64		138.50

Note 2.16 : Revenue from operations

(₹ in Lacs)

Particulars	Year ended		Year ended	
	31st March, 2012		31st March, 2011	
(a) Franchises royalty		2.13		11.45
(b) Income from personality dev. Programme (PDP)		472.41		706.23
(c) Diploma charges		1.53		2.74
(d) Training & education income		62.01		38.98
Total		538.08		759.40

Note 2.17 : Other income

(₹ in Lacs)

Particulars	Year ended		Year ended	
	31st March, 2012		31st March, 2011	
Interest income		5.46		5.44
Other non operating income				
Miscellaneous income		0.66		0.16
Total		6.12		5.60

Note 2.18 : Training & education expenses

(₹ in Lacs)

Particulars	Year ended		Year ended	
	31st March, 2012		31st March, 2011	
Consultancy charges		1.71		4.51
Courses execution charges		127.19		121.53
Franchises expenses		4.15		10.53
P.D.P expenses		72.32		69.21
Total		205.37		205.78

Note 2.19 : Employee benefits expenses

(₹ in Lacs)

Particulars	Year ended		Year ended	
	31st March, 2012		31st March, 2011	
Salaries, bonus, gratuity & allowances		35.22		32.23
Director,s remuneration		21.00		30.00
Contribution to provident and other fund		0.88		0.83
Staff welfare expenses		7.03		6.44
Total		64.13		69.50

Note 2.20 : Other expenses

(₹ in Lacs)

Particulars	Year ended 31st March, 2012		Year ended 31st March, 2011	
Auditor's remuneration		3.08		3.10
Bad debts written off		-		30.00
Bus & taxi hire charges		4.21		12.91
Bank charges		1.23		0.39
Directors' sitting fees		0.37		0.40
General meeting expenses		2.47		2.41
Water and electricity expenses		0.02		0.17
Ignou expenses		1.78		7.40
Inst.of hospitality management expenses		1.47		7.01
Rent rates and taxes		3.30		0.06
Miscellaneous expnses		18.02		43.91
Photography expenses		2.96		9.10
Insurance		0.03		1.22
Legal & Profession fees		0.75		11.42
Share transfer expenses		0.82		0.61
Students welfare expenses		4.18		11.64
Postage & telephone expenses		3.61		7.68
Printing & stationery		9.48		19.00
Repairs & maintenance building		16.46		24.57
Repairs & maintenance plant & machinery		16.92		26.42
Repairs & maintenance others		10.02		12.29
Sanitation watch & ward		8.18		12.27
Vehicle running & maintenance		3.61		18.67
Advertisement expenses		3.20		10.63
Conference & seminar		8.36		12.34
Miscellaneous expenditure written off		1.75		1.75
Penalties		-		0.11
Travelling expenses		7.35		14.10
Total		133.63		301.58

Note 2.21 : Finance costs

(₹ in Lacs)

Particulars	Year ended 31st March, 2012		Year ended 31st March, 2011	
Interest expense				
On long-term borrowings		18.54		2.46
Others		0.16		1.03
Total		18.70		3.49

Note 2.22 : Depreciation and amortisation expenses

(₹ in Lacs)

Particulars	Year ended 31st March, 2012		Year ended 31st March, 2011	
Depreciation on tangible assets		57.38		35.27
Total		57.38		35.27

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1. Significant Accounting Policies

1.1 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. Revenues are recognized and expenses are accounted on their accrual with necessary provisions for all known liabilities.

The financial statements for the year ended March 31, 2011, had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended March 31, 2012, are prepared as per the Revised Schedule VI. Accordingly the previous year figures have also been reclassified to confirm to this year's classification. The adoption of Revised Schedule VI for previous year figures does not impact any recognition and measurement principles followed for the preparation of financial statements.

1.2 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 principles and are presented to the extent possible, in the same manner as the company's separate financial statements.
- b) The Consolidated Financial Statements (CFS) comprise the financial statements of IEC Education Ltd, its Subsidiaries as at 31/03/2012, 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.

1.3 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.

1.4 The notes other than financial details 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.

OTHER DISCLOSURES

2.23) Earning Per Share (EPS):

(₹ in Lacs)

Particulars	2011-2012	2010 - 2011
(A) Basic EPS :		
(i) Net Profit attributable to Equity Shareholders (₹)	40.22	121.96
(ii) Weighted average number of Equity Shares Outstanding (Nos.)	15256000	15256000
Basic EPS (₹) (i) / (ii)	0.26	0.80
(B) Diluted EPS :		
(i) Net Profit attributable to Equity Shareholders (₹)	40.22	121.96
(ii) Weighted average number of Equity Shares Outstanding	15256000	15256000
Diluted EPS (₹) B (i)/B (ii)	0.26	0.80
Face Value per shares (in ₹)	10.00	10.00

2.24) 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

2.25) 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:- 28th August, 2012

For and on Behalf of the Board

Brig. S.V.S Chowdhry (Chairman)
Naveen Gupta (Managing Director)
R.L Gupta (Director)
Rasik Makkar (Director)
H.P Singh (Director)

Kailash Nath (Director)
Sarabjit S. Saini (Director)
A.K. Khare (Director)
J.K. Bholra (Director)
Shrey Rustagi (Company Secretary)
Ashutosh Kr. Jha (Accounts Manager)

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

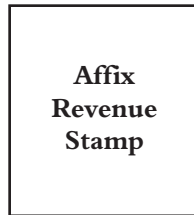
hereby appoint Mr./Ms. _____ of _____ in the district of _____ or failing him Mr./Ms. _____ of _____ in the district of _____ as my / our proxy to vote for me / us on my / our behalf at the 18th (Eighteenth)

ANNUAL GENERAL MEETING of the Company to be held on Monday, the 24th day of September, 2012 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 _____ 2012

*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.

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 18th (Eighteenth) ANNUAL GENERAL MEETING of the Company to be held on Monday, the 24th day of September, 2012 at 10:00 A.M. at Sri Sathya Sai International Centre, Institutional Area, Pragati Vihar, Lodhi Road, New Delhi-110 003.

Please tick in the box

MEMBER

PROXY

Signature of Member / Proxy



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