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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 |