

DIRECTORS REPORT TO THE MEMBERS

Your Directors take pleasure in presenting to you the 25th Annual Report together with the Audited Accounts of the Company covering the Financial Year ended March 31, 2019.

Financial Highlights

The Financial highlights of the Company for the Financial Year ended March 31, 2019 are as follows:

(Rs. In Lakhs)

Title	Year Ended March 31,2019	Year Ended March 31,2018
Revenue from Operations	-	-
Other Income	-	.09
Total Expenditure except Depreciation and Finance Cost	43.16	40.27
Interest	0.12	.08
Depreciation and Amortization	50.74	50.74
Profit/Loss before Tax	(94.02)	(91.00)
Provision for Tax (adjusted)	0	8.85
Profit/Loss for the year	(94.02)	(82.15)

Operational Review / State of Companies Affairs

The Company has not carried any business activity during Financial Year ended March 31, 2019. Profit before taxation was Loss of Rs. 94.02 Lakhs, as against Loss of Rs. 91.00 Lakhs in the previous year. The net Loss of the Company is Rs. 94.02 Lakhs as against Loss of Rs. 82.15 Lakhs in the Previous Year. The Company is in the process of reviving its business operations and is planning to commence its Franchise Operations with new improved Educational Services. Apart from that, the Management of the Company is also looking forward to fetch benefit under various Educational Schemes floated by MHRD, Government of India.

Consolidated Financial Results

In compliance with Regulation 33 and Regulation 34 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, Financial Statements are prepared in accordance with the Accounting Standards notified under section 133 of the Companies Act, 2013 read with rule 7 of Companies (Accounts) Rules, 2014. The Consolidated Financial Statements illustrate the financial resources, assets, liabilities, income, profit and other details of the company and its subsidiaries as a single entity. The Consolidated Financial Statements together with Auditor's report there on from part of the annual report.

Share Capital

The paid up equity capital of the Company as on March 31, 2019 was Rs. 1526 Lakhs. During the year under review, the Company has not issued any equity share, preference share or any other security.

Reserves

The reserves of the Company stood at Rs.1717.62 Lakhs as against Rs. 1811.64 Lakhs in the last Financial Year.

Dividend

Your directors had not recommended any dividend for the financial year ended March 31, 2019.

Public Deposits

Your Company has not accepted any deposit within the meaning of section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014. During the year under review, there were no outstanding deposits.

Directors

During the year under consideration, Mr Rasik Makkar resigned as Independent Director from the Company on May 11, 2018. Mr. Ashutosh Kumar Jha resigned as Chief Finance officer of the Company on June 11, 2018. Mr. Ajay Kumar Jain resigned as Director of the Company on August, 14 2018. Mr. Kailash Nath, one of the Independent Directors of the Company, has given his resignation from w.e.f. September 13, 2018. The Board of Directors have appointed Mr. Bhisma Prasad Yadav as Chief Finance Officer of the Company w.e.f. November 14, 2018. None of the directors are liable to retire by rotation at the ensuing Annual General Meeting as Mrs. Shalini Gupta one of the Non Executive Directors (rotational) resigned w.e.f April 30, 2019.

Meeting of the Board of Directors

During the Financial year ended March 31, 2019, the meeting of Directors of your Company held 5 times on 30.05.2018, 26.06.2018, 14.08.2017, 14.11.2018, 14.02.2019

Key Managerial Personnel

The Key Managerial Personnel of IEC Education Limited are:

1. Dr. Navin Gupta - Managing Director
2. Mr. C.V. Jain – CEO (appointed by Board of Directors w.e.f. August 01, 2019)
3. Mr. Bhisma Prasad Yadav - Chief Financial Officer

Auditors

M/s Rakesh Varshney & Co., Chartered Accountants continued as statutory auditors of the company for financial year ended March 31, 2019. They have been appointed by the Shareholders for a period of five consecutive years beginning with Financial Year 2017-18 till Financial Year 2021-22. M/s Rakesh Varshney resigned as Statutory Auditor of the Company w.e.f. July 03, 2019 due to his other pre-occupations. The Board of Directors at their Meeting held on August 01, 2019 has proposed the appointment of M/s Karan Khanna Chartered Accountants (Membership No. 532004) as Statutory Auditor of the Company for a period of Five years beginning with Financial Year 2019 – 20. The Company has received necessary certificate from them under section 139 and 141 of the Companies Act, 2013 to the effect that they satisfy the conditions under the said Act and the rules made there under for their appointment.

Auditors Report

Auditors submitted their report on the financials of the Company for the year ended March 31, 2019. The report was subjected to the following observations by the Auditor:

(i) The company has Loans & Advances with related parties which are long outstanding .

Management's Response: The major amount includes the recovery from Vocational Education Foundation and Vocational Education Trust. The Board of Directors at their meeting held on May 30, 2019, resolved to send notices to both of the Parties for recovery of the outstanding amount. The same shall be recoverable during FY 2019-20.

(ii) Investment Rs. 75,27,000/- in subsidiaries whose net worth is either 100% eroded or 50% eroded & are not doing any business, their valuation is not substantiated.

Management's Response:

At present the management is looking forward to revive the franchise business operations of the Company and accordingly, the operations of the Company shall be shared amongst the subsidiaries depending upon the objects of the Companies and further the same shall be subject to approval by Board of Directors.

(iii) The company has Sundry Debtor: those are Long Outstanding.

Management's Response:

Company was awarded "Computer Education Project" by Delhi Government and "Rajasthan School and College Project" by Rajasthan Government during year 2000 and year 2003 respectively. Company successfully completed both the projects however the payment was disputed by then Delhi Government and Rajasthan Government. The matter is subject to Arbitration between Delhi Government and the Company. Regular correspondences are made with Rajasthan Government for recovery of the amount due. The management is confident that the money will be received from both the Governments.

(iv) The company has 3419.02 Lacs in investment, Loans & Advances & Sundry Debtors, and net worth of Rs. 3337.65 Lacs as such amounts outstanding & are not being recorded for is more than net worth.

Management's Response:

The amount was given to the trusts in previous years for execution of one of the Educational Projects. The amount shall be recoverable in the current FY.

(v) The company is not doing any business for Long

Management's Response: The Board of Directors has at their meeting held on May 30, 2019, resolved to revive its franchise business model along with other available avenues.

(vi) The company is not paying its statutory dues

Management's Response: All the statutory dues that are pending shall be paid by due date as per the prevailing legal framework.

Extract of Annual Return

The details forming part of Annual Return in form MGT-9 is annexed herewith as Annexure A.

Directors Responsibility Statement

In terms of section 134(5) of the Companies Act, 2013, the directors would like to state that:

1. In the preparation of the Annual Accounts for the period ended as on 31st March, 2019 the applicable Accounting Standards have been followed and no material departure has been identified.
2. Accounting Policies have been consistently applied in a reasonable and prudent manner so as to give true and fair view of the state of affairs of the Company for the financial year ended 31st March, 2019 and of the Statement of Profit And Loss ended that date for the financial year ended 31st March, 2019.
3. Proper and sufficient care has been taken for the maintenance of adequate records in accordance with the applicable provisions of the Companies Act, 2013 for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Annual Accounts for the Financial Year ended 31st March, 2019 have been prepared on going concern basis.
5. The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

6. The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

Details of Fraud reported by Auditors

No fraud as required under section 143 of the Companies Act, 2013 has been reported by the Auditors for the Financial Year ended March 31, 2019.

Details of Material Orders Passed by Regulators

No Material Order has been passed by any regulator affecting the business operations of the Company except the penalties imposed by Bombay Stock Exchange for late compliance of Regulation 31 & 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Also, the trading in the shares of the Company has been suspended on account of the same. The Company has made an application of Bombay Stock Exchange for the waiver. The matter is still pending with Bombay Stock Exchange.

Declaration by Independent Directors

- All independent Directors have given declaration that they meet the criteria of -independence as laid down under section 149(6) of the Companies Act, 2013.
- Independent Directors considered / evaluated the performance of the non - independent Directors at a meeting without anyone from the non - independent Directors and Management.
- The Board subsequently evaluated performance of the Board, the Committees and Independent Directors (without participation of the relevant director).

Nomination and Remuneration Policy

The Board, on the recommendation of the Nomination and Remuneration Committee has already framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Company's policy on appointment and remuneration including criteria for determining qualifications, positive attributes, and independence are provided in the Corporate Governance Report forming Part of the Annual Report. The detailed policy is available on the website of the Company at <http://iecgroup.in/pdf/Nomination%20and%20Remuneration%20Policy.pdf>

Secretarial Audit

Pursuant to section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has appointed M/s Kajal Goyal and Associates to undertake the Secretarial Audit of the Company for Financial Year 2018-19. The Secretarial Audit Report is annexed herewith as Annexure B.

The following are the observations made by the Secretarial Auditor in their report:

- The Company's financial assets constitute more than 50% of the total assets thus the company is carrying out NBFIs Activity without having registration certificate as required under section 45(ia) of RBI Act.

Management's Response: The Company was carrying Educational Business Activity from past so many years and the fact is also evident from the previous year financials and income from main business was much higher than financial income. However as of now there is no business in the company and company is the process of restructuring its business model.

- Delayed filing some of the reports for the March Quarter 19 and June Quarter 2019.

Management Response: the company is a law abiding company and has always endeavored to file the requisite filings with the

authorities however the shareholding pattern was lately filed as the data was not provided to the RTA by the Depository. Moreover there was no change in the shareholding of promoter or any other major shareholder of the Company during the period under default. The company has since filed all the pending reports.

Particulars of Loans, Guarantees or Investments

The company has not given any loans or guarantees of investments covered under the provisions of section 186 of the Companies Act, 2013.

Material Changes occurred between the end of financial year and date of report.

No material changes have occurred between the end of Financial year and the date of the Report except the resignation of Mrs. Shalini Gupta as Non Executive Director of the Company and appointment of Mrs. Anita Menon as Woman Director (Additional) and Mr. Sunil Kumar as Additional Director of the Company.

Related Party Transaction

No new related party transaction was entered into during the current financial year. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large. The related party transaction policy is available on the Company's website at <http://iecgroup.in/pdf/Related%20Party%20Transaction%20Policy.pdf> Form AOC-2 has been attached as Annexure C to Directors Report.

Conservation of Energy

- a) Company ensures that its operations are conducted in the manner whereby optimum utilization and maximum possible saving s of energy is achieved.
- b) No specific investment has been made in reduction in energy consumption.
- c) As the impact of measures taken for conservation and optimum utilization of energy are not quantitative, its impact on cost cannot be stated accurately.

Technology Absorption

The present global scenario your Company strives to maintain and improve quality of its services and takes appropriate measures to keep pace with fast changing technological innovation.

Foreign Exchange Earnings and Out-Go

During the period under review there was no foreign exchange earnings or out flow.

Internal Control Systems and Their Adequacy / Risk Management

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board and to the Chairman & Managing Director.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of

internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

Corporate Social Responsibility

Company do not fall under the mandatory limits set for mandatory corporate social responsibility committee formation and contribution, but company ensures that being part of the society it is duty to give back to the society and take efforts to do it.

Performance of Subsidiaries / Joint Ventures and Associates

As per the provisions of first proviso of sub section (3) of section 129 of the Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014, statement containing salient features of the financial Statement of Subsidiary Companies are given along with Consolidated Accounts in Form AOC - I. The Annual Accounts of Subsidiaries are prepared in accordance with applicable accounting standards and forms part of this Annual Report and accounts. The Annual Accounts of the Subsidiaries along with related detailed information will be made available to the Members of the Company / Subsidiary Company seeking such information at such point of time. The Annual Accounts of the Company are also available for inspection for any Member during the business hours at the Registered Office of the Company and Subsidiary Companies can the same can be accessed from the website of the Company <http://iecgroup.in/sfinancials.html>.

In compliance with Regulation 24 of the SEBI (LODR) Regulations, 2015, the company has formulated Policy on Material Subsidiaries. The policy can be accessed at <http://iecgroup.in/pdf/Policy%20on%20Material%20Subsidiary.pdf>

At present the company has three subsidiaries:

1. IEC Learning and Management Limited
2. IEC Education and Infrastructure Limited
3. IEC Leasing and Capital Management Limited

The company does not have any material subsidiary as of now and none of the company holds revenue of more than 10% of the revenue of their Holding Company. None of the subsidiary companies holds any major loans or investment.

Vigil Mechanism

Pursuant to the provisions of proviso to sub-section 10 of section 177 of the Companies Act, 2013, the Company has a vigil mechanism named Vigil Mechanism-Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility. The Policy can be accessed on the website of the company. <http://iecgroup.in/pdf/Vigil%20Mechanism.pdf>

Particulars of Employees

As per the provisions of section 13 of the Companies Act, 2013, the Report of Accounts are being sent to all members of the Company excluding the information relating to Employees to be given under section 197(12) of the Companies Act, 2013 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014. The said information would be available for inspection by the members at the Corporate Office of the Company i.e. E-216, East of Kailash, New Delhi - 110065 during business hours on working, up to the date of ensuing Annual General Meeting. If any member is interested in inspecting the same, such members may write to the Company Secretary in advance.

Code of conduct

As per regulation 17(5) of SEBI (LODR) Regulations, 2015, the Company has laid down Code of Conduct for all Board Members of the Company as well as Senior Management and same has been posted on website of the Company. Annual Compliance Report for the Year ended 31st March, 2019 has been received from all the Board Members and Senior Management of the Company regarding compliance of all the Provisions of Code of Conduct. Further pursuant to schedule V of SEBI (LODR) Regulations, 2015 declaration regarding compliance by Board members and senior management personnel with the Companies Code of Conduct is hereby attached as Annexure D to this report.

Additionally, company has also adopted code of conduct for Independent Directors of the Company in accordance with Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

Report on Corporate Governance and Management Discussion and Analysis

The essence of existence of Corporate lies in good Corporate Governance Practice. Your Company has always adhered itself towards best governance practice. Your Company has maintained high level of integrity and transparency towards compliance of all laws, regulations, rules, guidelines whether provided by any enactment or issued by SEBI. As required under Regulation 34 of SEBI (LODR) Regulations, 2015 read with Schedule V to the said regulations, a report on Corporate Governance and Management Discussion and Analysis Report are annexed to this Annual Report and forms part of it. Further pursuant to Schedule V of SEBI (LODR) Regulations, 2015, a certificate from M/s Rakesh Varshney & Co. Chartered Accountants, Delhi, the Statutory Auditors of the Company confirming compliance of conditions of Corporate Governance is annexed as Annexure E to this report.

Registrar and Share Transfer Agents

M/s Alankit Assignments Ltd., in the capacity of Registrar and Share Transfer Agents of your Company, is looking after all the matters relating to shares in transfer and dematerialization. Members are hereby requested to send their correspondence regarding transfer of shares, Demat of shares and other queries to Registrar and Share Transfer Agents Alankit Assignments Ltd. , 2E/21, Alankit House, Jhandewalan Ext., New Delhi - 110 055

Statutory Disclosure

None of the Directors of your Company is disqualified as per the provisions of section 164 of the Companies Act, 2013. The Directors of your Company has made necessary disclosure as required under various provisions of Companies Act, 2013 and Listing Agreement.

Listing of Shares

The shares of your Company are listed at 1. Bombay Stock Exchange, Phirozee Jeejeebhoy Tower, 25th floor, Dalal Street, Mumbai-400001

Acknowledgment

Your Directors wish to place on record their gratitude in receipt of continued support and co-operation from various stakeholders including and not limiting to Shareholders, Customers, institutions, Governmental and Semi Governmental Agencies, Consultants other business Associates and Employees of the Company.

For and on behalf of the Board

Date: August 14, 2019

Place: New Delhi

Navin Gupta
(Managing Director)
DIN-00097128

Anita Menon
(Director)
DIN-08439459