



# Annual Report

## 2013 - 2014

### EdCIL (India) Limited

(A Government of India Enterprise)

ISO 9001:2008 & 14001:2004 Certified Company





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(A Government of India Enterprise)

ISO 9001:2008 & 14001:2004 Certified Company

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EdCIL (India) Ltd., a Public Sector Undertaking, under the Ministry of Human Resource Development, Government of India, declared 100% dividend for the financial year 2013-14. Shri Rakesh Ranjan, CMD, EdCIL (India) Ltd. presented the dividend cheque to Hon'ble Minister of Human Resource Development, Smt. Smriti Zubin Irani. The Company declared the dividend for the 27th consecutive year and also achieved "Excellent" Rating under the Memorandum of Understanding (MOU) for the year 2013-14 signed with the Administrative Ministry, MHRD, as per the guidelines by Department of Public Enterprises, Government of India. The Company posted pre-tax profit of Rs 14.05 crores for the year 2013-14 registering a pre-tax profit growth of 72.18% over the previous year.

# Annual Report 2013-14



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## CHAIRMAN'S SPEECH

Distinguished Shareowners,

On behalf of the Board of Directors of EdCIL, it gives me immense pleasure to welcome all of you at this 33rd Annual General Meeting of your Company. I take this opportunity to extend sincere thanks to you for joining us today and your unstinted support, provided to the Company during the year.

The Director's Report and the Annual Audited Accounts for the year 2013-14 are already with you, and with your permission I take them as read.

I am pleased to place before the Board of Directors that, in the Financial Year 2013-14, your Company has achieved a turnover of Rs. 71.00 crores as compared to Rs. 60.85 crores during the previous year after adoption of the new accounting policy. The turnover of the company reflects the growth of 16.68% which is comparable with consulting industry average growth rates. The company posted pre-tax profit of Rs. 14.05 crores as against Rs. 8.16 crores during the previous year. Thus, the company achieved 72.18% growth in the pre-tax profits for the year 2013-14. This is the highest ever pre-tax profit posted by your Company till now.

Top Management is striving to achieve sustained growth in turnover as well as in pre-tax profits through continuous strategic interventions like cost-control, optimum utilization of resources and system improvements. The Company reported "**Excellent**" Rating under the Memorandum of Understanding (MOU) for the year 2013-14 signed with the Ministry of HRD (Administrative Ministry) as per

the guidelines by Department of Public Enterprises (DPE), Government of India. It is to place on record that your Company is certified for **Integrated Management System (IMS)** comprising of quality management systems conforming to ISO 9001:2008 & environmental management systems conforming to ISO 14001:2004. Surveillance Audit was successfully completed for the year 2013-14.

I am pleased to inform you that your Company has recommended 100% dividend on paid up capital amounting to Rs. 2.00 crores out of current year's profit for the year 2013-14. This is the twenty seventh consecutive years; the company has declared the dividend. Upon payment of this year's dividend, cumulative value of total dividend paid to Government of India would be Rs. 18.35 crores against the paid up equity capital of Rs. 2.00 crores.

Promotion of Indian Education abroad continued to remain one of the focus areas for the Company. During the year 2013-14, EdCIL participated along with its interested partner institutions in 15 Educational Fairs / Seminar cum counseling sessions in 9 countries. Your Company has ventured into new initiatives emerging in the education sector towards digitization of schools, institutions and universities. With the partner business associates, your Company is imparting training and skill development to the needy sections of the society as well as implementing IT projects in the education sector. Your Company is assisting endeavors of Government of India in the areas of policy initiative, implementation of national schemes and promoting Indian education.

Systems strengthening and process orientation continued as focus areas during 2013-14. Results of the competency mapping done for the executive cadres during last year were implemented during this year. This has resulted in bringing focus on areas of strength of the executives as well as improving upon the required areas. Training activities were also synchronized as per the competency mapping in order to support executives to overcome their weak areas. Risk Management Policy for each division was developed and adopted, including the Technical Support Groups. This exercise enabled managers to initiate proactive actions and also develop alternate strategies to mitigate envisaged risks in their work areas. Fully fledged implementation of the Risk Management will take place the next year.

I would also like to inform you that as per the guidelines issued by the Department of Public Enterprises on Corporate Governance for Central Public Sector Enterprises in May 2010, "A Report on Corporate Governance" and "Management Discussion and Analysis Report", forms the part of the Annual Report for the year ended 31st March 2014.

## Acknowledgements

In conclusion, I take this opportunity to express my gratitude to our customers for their continued support and patronage as partners in the growth process.

On behalf of the Board of Directors and on my own behalf, I extend sincere thanks for the valuable guidance, support and cooperation extended to the company by the Ministry of Human Resource Development, Ministry of External Affairs, Indian Missions Abroad and all stakeholders. I also express my sincere thanks to the Directors on the Board for their suggestions and valuable contribution in the working of the Company.

I place on record the appreciation to the hard work, commitment and unstinting efforts put in by your Company's employees at all the levels. My special thanks to all of you and the shareholders for their continued confidence. In return to your cooperation and support extended to me, I promise to take your Company to new and commanding heights.

Sd/-

**(Rakesh Ranjan)**

Chairman & Managing Director

Place: New Delhi

Date: 29th December, 2014

**EdCIL (INDIA) LIMITED**  
Formerly known as Educational Consultants India Ltd  
**FINANCIAL RESULT FOR LAST 10 YEARS**

(Rs. in lacs Except for no. of employees & earning per share)

Description	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Paid-up-Capital	125.00	125.00	125.00	125.00	150.00	150.00	150.00	150.00	200.00	200.00
Reserve & Surplus	958.16	1,119.09	1,280.15	1,432.20	1,570.82	1,793.03	1,852.70	1,935.11	2,164.09	2,776.61
Capital Employed	1,121.03	1,257.57	1,386.41	1,555.97	1,659.05	1,913.18	1,949.52	2,000.57	2,273.97	2,863.04
Net Worth	1,090.90	1,253.08	1,417.45	1,571.84	1,731.36	1,957.59	2,024.50	2,085.11	2,364.09	2,976.61
Fixed Assets (Net Block)	590.02	567.87	554.04	555.30	559.19	556.89	537.08	543.07	529.11	532.06
Turnover										
a) Domestic Business	1,347.19	2,926.39	2,254.33	2,579.38	3,450.34	3,907.53	4,476.66	5,338.04	5,840.88	6,845.76
b) Overseas Business	1,013.52	1,002.20	1,047.14	1,530.56	1,932.54	2,638.32	2,245.92	3,310.75	244.06	253.99
Total	2,360.71	3,928.59	3,301.47	4,109.94	5,382.88	6,545.85	6,722.58	8,648.79	6,084.94	7,099.75
Misc. Income	193.46	274.30	314.60	352.57	491.05	343.03	245.41	348.12	364.35	490.71
Total Income	2,554.17	4,202.89	3,616.07	4,462.51	5,873.93	6,888.88	6,967.99	8,996.89	6,449.29	7,590.46
Gross Profit	144.84	444.71	485.66	446.98	538.33	705.22	438.54	427.32	856.71	1,444.53
Depreciation	31.39	30.48	28.75	26.45	29.03	32.35	53.35	38.02	41.08	39.08
Net Profit before Tax	113.45	414.23	456.91	420.53	509.30	672.87	385.19	389.30	815.63	1,405.45
Net Profit after Tax	69.44	248.17	279.45	270.40	315.96	401.72	249.13	244.89	525.83	873.08
Dividend paid	50.00	75.00	100.00	100.00	127.50	150.00	150.00	150.00	200.00	200.00
% of Net profit after Tax to Income	2.94	6.32	8.46	6.58	5.87	6.14	3.71	2.72	8.15	11.50
Number of employees	89	91	84	84	82	81	85	81	78	81
Earning per employee	1.63	4.89	5.78	5.32	7.91	8.70	5.16	5.27	10.98	17.83
Total Value of Business generated	2,415.00	2,849.00	2,444.00	12,777.00	12,342.00	9525.00	7847.90	17,147.00	15,155.00	13500.00
Earning per share (Rs.)	56.00	199.00	224.00	180.00	211.00	268.00	166.00	163.00	263.00	437.00
Gross Profit Ratio (%)	6.14	11.32	14.71	10.88	10.00	10.77	6.52	4.94	14.08	20.35
Net Profit Ratio (Before Tax)	4.81	10.54	13.84	10.23	9.46	10.28	5.73	4.32	12.65	18.52
Net Profit Ratio (After Tax)	2.94	6.31	8.45	6.57	5.87	6.14	3.71	2.72	8.15	11.50
Net Sales to Capital Employed	2.11	3.12	2.38	2.64	3.24	3.42	3.45	4.32	2.68	2.48
Net Worth/ per Rupee of Paid up Capital	8.73	10.02	11.34	12.57	11.54	13.05	13.50	13.90	11.82	14.88



## Corporate Information

### Chairman & Managing Director

Mr. Rakesh Ranjan, IAS

### Directors

Smt. Tripti Gurha  
Smt. Lata Vaidyanathan  
Prof. Anil K.Gupta

### Company Secretary

Ms. P. Jayanthi

### Statutory Auditors

M/s G.R.Garg & Co., Chartered Accountants

### Bankers

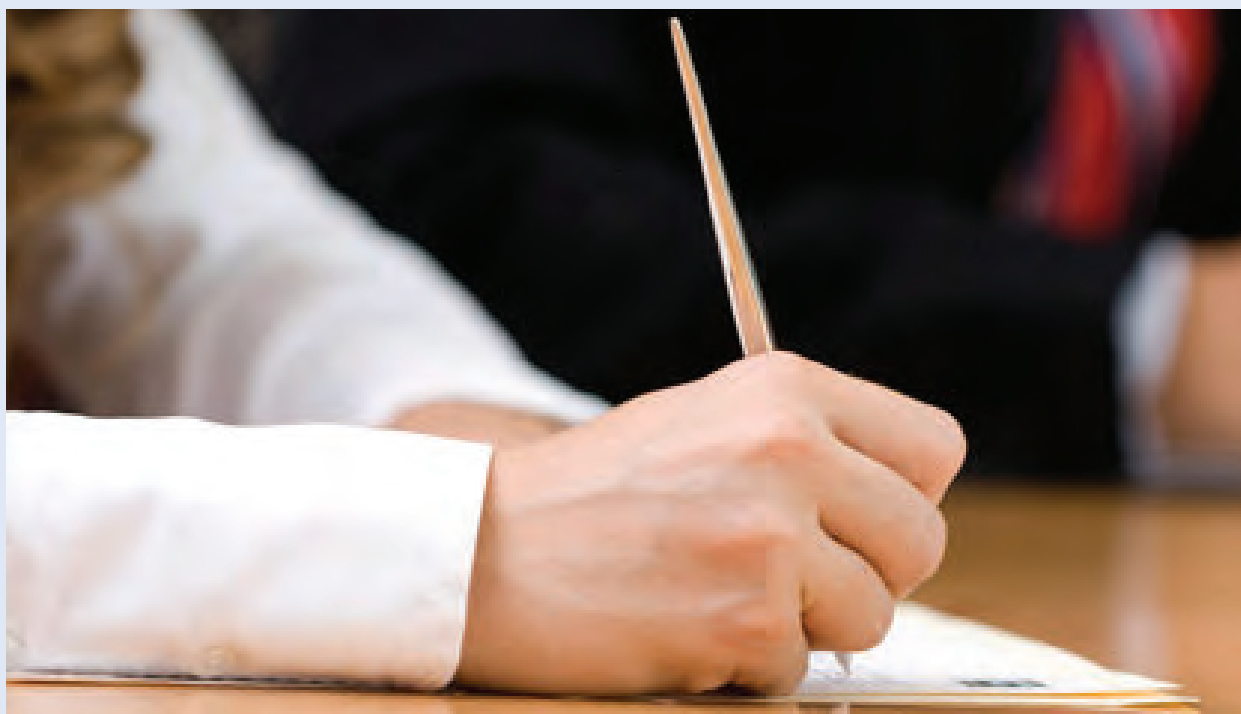
ICICI Bank  
Punjab National Bank  
State Bank of India  
Corporation Bank  
Indian Overseas Bank  
IDBI Bank Ltd.

### Registered Office

5th Floor, Vijaya Building  
Barakhamba Road  
New Delhi- 110001

### Corporate Office

"EdCIL House", 18-A, Sector-16-A,  
Noida-201301 (U.P.) India.



## EdCIL- Introduction



EdCIL (India) Ltd., formerly known as Educational Consultants India Ltd. (EdCIL) is a Government of India “Mini Ratna” enterprise offering consultancy services in all areas of education and human resource development, in India and abroad for more than three decades with special focus on developing countries of Asia and Africa. EdCIL seeks to provide comprehensive solutions through its varied scope of services while addressing the social, economic, and cultural changes including the development of Human Resources.

EdCIL is the only consultancy organisation in the education sector enveloping the entire spectrum of education and human resources development activities on turnkey basis and modular basis as key enabler to set new standards in quality education. EdCIL is also acting as a nodal agency for promotion of Indian education overseas and coordinating as a single window service provider for admission of international students to institutions in India.

A strong resource base, professionally competent and dedicated workforce and its unique approach and methodology based on the World Bank’s approach to Project Management of pooling relevant expertise in a particular area/field enables EdCIL to provide comprehensive and holistic solutions to client demands and expectations along with cost competitiveness.

EdCIL (India) Limited, is an ISO 9001-2008 & 14001 : 2004 certified Government of India Enterprise, under the aegis of Ministry of Human Resources Development (MHRD), Government of India.

Over a period of three decades of transition, growth and development, EdCIL has proved its strength within the country and abroad by promoting Indian Education and Consultancy services. EdCIL has also been awarded the Prime Minister’s Award of Excellence for the year 1998-99 and also awarded MOU “Excellent” rating two times continuously in the years 2008-09 and 2009-10.

**Vision**

To provide world class educational consultancy services in system design, resource development, research & evaluation studies and management development in national and international arena to enable educational system to achieve excellence. The service includes promotion of Indian education abroad as single window nodal service agency.

**Mission**

EdCIL shall adopt multi-pronged strategies to promote Indian education abroad and aggressively market itself with greater customer focus to offer all educational consultancy services in a wider spectrum of areas in national and international arena to facilitate achievement of excellence by educational systems.

## Service Spectrum

### Technical Assistance Services

EdCIL has successfully managed projects in countries with diverse economic and political landscapes. The services rendered by the Technical Assistance division of EdCIL includes

- Educational Planning and Administration • Feasibility Reports for Educational Institutions
- Detailed Project Report (DPR) • Development of Learning Resources and Computer Infrastructure, including ICT • Human Resource Planning /Manpower Forecasting/ Institutional Planning • Curriculum & Text Book Development & • Training Needs Assessment.

### Placement and Secondment Services

Placement: EdCIL (India) Limited is the Nodal Agency of Government of India towards promotion of Indian Education abroad and is the “Single Window Service Provider” for the placement of Foreign students, NRIs and Persons of Indian Origin (PIOs) for higher education in its associated institutions in India. Every year EdCIL places students in more than 300 of its associated institutions which includes Central and State University and other colleges and institutions which are recognized by the regulatory/statutory bodies viz. UGC. EdCIL places students for Graduate, PG and Doctoral programmes in the fields of Engineering & Technology, IT & Computer Science, Biotechnology & Bioinformatics, Medicine, Dentistry, Pharmacy, Nursing and Para-medical. Hotel Management & Catering Technology, Management, Agriculture/Veterinary Sciences, Dairy Technology and Fisheries, Arts & Fine Arts, Law, Mass Communication and Journalism Humanities, Social Sciences, Commerce and Science.

#### Placement Schemes that EdCIL offers to NRIs, PIOs and International Students:

1. Scholarship Programme for Diaspora Children (SPDC):
2. Self-Financing Scheme (SFS)
3. Scholarship sponsored by Foreign Governments

Secondment: EdCIL also undertakes recruitment of Indian faculty, teachers and experts in various international institutions in developing countries. It's capability to recruit the right person for the right job in a time bound manner has ensured increasing number of repeated orders and significant addition of new clients to the list. EdCIL also undertakes preparatory/training programmes for various students/ educationists/teachers in India and abroad.

### Recruitment Services

EdCIL is a well-known professional consultancy organization in providing recruitment/ assessment services in selection and identification of personnel by conducting written



examinations /interviews/ skill tests for various Ministries and Govt. Deptts., PSUs, Autonomous Bodies and Academic institutions across the country.

### **Civil and Procurement Services**

EdCIL undertakes projects on turnkey basis from concept to commissioning and ensure effective management of operational activates ranging from schools, polytechnics, technical institutions to universities. During the project implementation, paramount importance is given to functional requirements & aesthetics, use of appropriate technology and local materials, cost effectiveness & compliance to well documented standards/ design practices and pre-empt cost & time overruns.

EdCIL assists in the capacity building of educational institutions in India and abroad through procurement of educational aids ranging from school kits to hi-tech laboratory equipment. EdCIL have been providing procurement services on turnkey basis meeting the client requirements in the endeavor of facilitating optimal utilization of client resources.

### **Technical Support Groups**

EdCIL has successfully provided logistic support for national level implementation of prestigious social sector projects of Government of India and International Funding Agencies. For each of these projects, EdCIL has performed as a strategic partner consultancy organization providing core competence in the specified areas. Sarva Shiksha Abhiyan (SSA), National Project Implementation Unit (NPIU), Mid-Day Meal (MDM), Rashtriya Madhyamik Shiksha Abhiyan (RMSA), National Mission on Education through Information & Communication Technology (NMEICT), National Literacy Mission Authority (NLMA) are few social projects undertaken under TSGs by EdCIL.

## Foreign Alliances

### Madagascar



Madagascar Fair - (From – Left to Right) – Mr. Madan Lal Goel, DGM, EdCIL, Prof. Joelisoa Ratsirarson, Vice President- University of Antananarivo, Ms. Anju Gautam, EdCIL, Prof. Agneas, Vice President - University of Antananarivo, H.E. - Ms. Manju Seth- Ambassador – Indian Embassy in Madagascar and Mr. Inderjeet Singh Sidhu, Chief General Manager, EdCIL, with other Embassy Officials during the seminar cum-counseling session in Madagascar from 5<sup>th</sup> to 10<sup>th</sup> June, 2013.

### Sudan



Sudan Fair – (From Left to Right) – Mr. Krishan Kumar, Mr. Samir Narula of EdCIL, with Mr. Subhash Gupta – Political-Economic Officer, and Mr. J. Brahman, Attache (Education) of Indian Embassy in Sudan during the education fair from 26<sup>th</sup> June to 30<sup>th</sup> June 2013.

### Mongolia



EdCIL (India) Limited participated in the "International Education Fair" held from 26<sup>th</sup> October to 27<sup>th</sup> October 2013 in Ulaanbaatar, Mongolia. Mrs. Pammi Kohli and Mrs. Veena Singhal represented EdCIL.

### Turkey



EdCIL team comprised of – Mr. Siddharth Sharma led by Mrs. Sonni Mehta, participated in the 'International Education Exhibition-2013' held in three (03) cities of Turkey, ie. – Ankara on 7<sup>th</sup> November 2013, Istanbul on 9<sup>th</sup> and 10<sup>th</sup> November 2013 and Izmir on 12<sup>th</sup> November 2013.

## Saudi Arabia Seminar cum Counselling Session



EdCIL (India) Limited organized the Seminar-cum-Counseling Session held in three (03) cities of Saudi Arabia, ie – Riyadh on 13<sup>th</sup> December 2013, Jeddah on 14<sup>th</sup> December 2013 and in Dammam on 15<sup>th</sup> December 2013. Mr. KVL Narasimham, Director (Technical) addressing during the Seminar Session.

## Foreign Alliances

### Sharjah



EdCIL (India) Limited participated in the 'Indian Education Exhibition' held from 29th January 2014 to 1st February 2014 in Sharjah, United Arab Emirates. EdCIL team comprising of – Mr. Sunil Mathur and Mr. Manoj Pipal participated for the same and represented EdCIL.

### Bhutan



EdCIL team comprising of – Mrs. Prachi Mukherjee and Mrs. Neelam Rana participated in the 'Indian Education Fair – 2014' held in Thimphu, Bhutan from 15th to 16th March 2014.

### Malaysia



EdCIL (India) Limited took a step forward to give an opportunity to the Malaysian Students to study in Indian Universities / Institutions through organizing an Education Fair in Kuala Lumpur, Malaysia from 15th to 16th March 2014. In continuation to the Education Fair in Malaysia, EdCIL also organized a Seminar-cum-Counseling Session held in Selangor, Malaysia on 17th March 2014, which was being represented by our Director (Technical) Mr. K.V.L. Narasimham.

## EdCIL Participated in Pravasi Bharatiya Divas (PBD) 2014

There were approximately 3000 delegations from various countries who attended the event. During the three (03) day event, large number of Non Resident Indians and Person of Indian Origin from various countries, such as Saudi Arabia, Malaysia, USA, Sri Lanka visited EdCIL stall and enquired about the Indian Education. EdCIL team briefed about the admission process in the areas of Engineering, Medical, Dentistry, Management, Science, Humanities at Undergraduate, Post graduate and Doctorate levels and they were explained about the procedure for admission in Indian Universities routed through EdCIL.



EdCIL team comprised of - Mr. Samir Narula and Mrs. Prachi Mukherjee participated in the Pravasi Bharatiya Divas (PBD) 2014 held from 7th January to 9th January 2014 at New Delhi. The Exhibition was inaugurated by Shri Vayalar Ravi, Minister of Overseas Indian Affairs & Shri Jitendra Singh, Minister of State (Independent Charge) for Youth Affairs & Sports and the Minister of State for Defence.



## MOU's

### Signing of MOU between Hindustan Steel Construction Limited (HSCL) and EdCIL (India) Limited



EdCIL and Hindustan Steel Construction Limited (HSCL) signed an MOU having experience and capability in their respective fields have decided to collaborate and enter into a strategic business alliance for synergistic utilization of each other's strengths and resources for participation in the projects related to civil construction, project management etc., in India and abroad.

### MOU Signed between EdCIL (India) Limited and Ministry of Human Resource and Development

EdCIL (India) Limited, a mini ratna enterprise of Government of India has signed a Memorandum of Understanding (MoU) with Ministry of Human Resource and Development for 2014-2015 recently to set and meet the financial & dynamic parameters for the coming year. The MoU was signed by Mr. Ashok Thakur, Secretary, Ministry of Human Resource and development and Mrs. Anju Banerjee, CMD, EdCIL (India) Limited in the presence of senior dignitaries from both the corporations.





## EdCIL (India) Limited celebrated Hindi Pakhwada 2013



Smt. Veena Ish, Joint Secretary (Admin & Coordination), MHRD (middle) lighting the lamp with Smt. Anju Banerjee, CMD, EdCIL (left) during the celebration of "Hindi Pakhwada" at EdCIL House, Noida.

EdCIL (India) Limited celebrated "Hindi Pakhwada" from September 11 to September 25, 2013 at EdCIL House, Noida which was inaugurated by Smt Anju Banerjee, CMD EdCIL. Like every year, EdCIL celebrated the event in a grand manner and a large number of enthusiastic employees participated in various competitions organized during the fortnight event.

Smt. Veena Ish, Joint Secretary (Admin & Coordination), MHRD was invited as the chief guest during the concluding ceremony. Prizes were handed over by the CMD, EdCIL and Smt. Veena Ish to the winning participants of the competition. EdCIL also organized "Pustak Pradarshini" for all the employees promoting Rajbhasha as our official language on the last day of the event.

## EdCIL Observed Vigilance Awareness Week 2013



Mrs. Anju Banerjee, Chairperson and Managing Director, EdCIL (Center) with Mr. KVL Narasimham, CVO & Director (Technical), EdCIL (Left) and Mr. Amit Khare, CVO & Joint Secretary, MHRD (Right)

EdCIL observed Vigilance Awareness Week during October 28 and November 1, 2013. Mrs. Anju Banerjee, CMD, EdCIL administered the oath taking ceremony to all the employees of EdCIL on 28th October, 2013. This year the theme was “Promoting Good Governance-Positive Contribution of Vigilance”. Mr. Amit Khare, CVO & Joint Secretary, MHRD participated as the chief guest during the closing ceremony of the Vigilance Awareness Week.



## EdCIL Celebrated its Annual Day 2013



EdCIL celebrates its Annual Day every year and organizes an Annual Award Ceremony for presentation of employee recognition awards. This year the Annual Day ceremony was celebrated on 25th September, 2013. EdCIL was fortunate to have Mrs. Veena Ish (Joint Secretary, Admin & Coordination), MHRD as the Chief Guest for the occasion.

Awardees were given a shield and cash prize in various categories such as best employee, best department, best women employee, etc.

## Corporate Social Responsibility (CSR)

### Business and Social Vision of the Organization:

In alignment with vision of the company, EDCIL, through its CSR initiatives, continue to enhance value creation in the society and in the community in which it operates, through its services, conduct & initiatives, so as to promote sustained growth for the society and community, in fulfillment of its role as a Socially Responsible Corporate, with environmental concern.

### In 2013-14, following activities were undertaken:

1. Continued intervention in adopted schools of Barabanki District.

Two schools are provided with cutting edge educational tools like E-learning packages so as to give the students, a better understanding of the subjects

2. Establishment of solar energy in two schools of Barabanki District

Two schools in Barabanki are provided with the solar energy for running the computer labs so that the computer education activities do not get disrupted due to power shortage.





## EdCIL's Expertise



### Integrated Project Management

From concept to commissioning, EdCIL undertakes the projects on turnkey basis and follows an integrated approach combining the technical, managerial and financial skills, in the effective management of all operation activities, culminating in the fulfillment of objectives to the clients' satisfaction.

### Innovation

EdCIL constantly upgrades the organizational knowledge base applies innovative concepts to meet the varying client requirement in the rapidly changing business environment marked by diminishing trade barriers in the emerging knowledge society.

### Commitment to Excellence

EdCIL's continued commitment to excellence and its efforts to continually enhance the quality of all its services to deliver the clients value for money through successful completion of projects within the stipulated time frame and budgeted cost.

### Flexibility

A large pool of technical and managerial manpower well supported by assigning based eminent consultants and on-going research activities enable us to provide the most appropriate expertise for a range of national and international projects combined with the flexibility to meet the evolving needs of our projects and clients.

## NOTICE

Notice is hereby given that the Thirty Third (33rd) Annual General Meeting (AGM) of the members of Company will be held on as per the schedule given below:

<b>Day &amp; Date</b>	29th December, 2014
<b>Time</b>	10:00 Hrs
<b>Venue</b>	Office of Secretary, Higher Education Ministry of Human Resources Development, Shastri Bhavan, New Delhi.

To transact of the following business:

### Ordinary Business:-

1. \*To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and Profit & Loss Account of the Company for the year ended on that date together with the Reports of Statutory Auditors and the Board of Directors thereon, the comments of the Comptroller and Auditor General of India thereon.
2. \*To declare Dividend
3. To fix the remuneration of Statutory Auditor from the Financial Year 2013-14.

By order of the Board  
EdCIL (India) Limited

Sd/-  
(P. Jayanthi)  
General Manager (Finance) & CS

*\*CAG comments will be circulated or tabled before immediately on receipt of the same. Further, consideration of Item No. 1 & 2 of Notice of 33<sup>rd</sup> AGM and Agenda are subject to the receipt of CAG Comments.*

### Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote at the meeting instead of him and the Proxy need not be a member of the Company. The instrument appointing proxy, in order to be effective, must be deposited at the Registered Office of the Company at least 48 hours before the commencement of the meeting.
2. Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 for Special Businesses are annexed herewith.

## DIRECTORS' REPORT

### TO OUR SHAREHOLDERS...

On behalf of the Board of Directors of your Company, I have the pleasure in presenting this 33rd Annual Report and Audited Statement of Accounts for the financial year ended 31st March, 2014, together with comments of the Comptroller and Auditor General of India on the Accounts of your Company.

### FINANCIAL HIGHLIGHTS

The financial position of the Company's operations is summarized below:

[Rupees in Lacs, except EPS]

Particulars	2013-14	2012-13
Turnover	7099.74	6084.94
Other Income	490.71	373.99
Expenditure	6145.92	5602.22
Gross Margin	1444.53	856.71
Depreciation	39.08	41.08
Profit before Tax	1405.45	815.63
Tax Provision including deferred taxation and Fringe Benefit Tax	532.37	289.80
Net Profit after Tax	873.08	525.83
<b>Appropriations</b>		
Proposed Dividend including tax	233.99	232.44
Transfer to Staff-welfare Fund	8.73	5.26
Transfer to CSR/R&D/SD Fund	18.40	9.80
Transfer to General Reserve	87.31	52.58
Transfer to Balance Sheet (Profit & Loss Balance)	524.65	225.75
<b>EPS (Rs.)</b>	<b>437</b>	<b>263</b>

### DIVIDEND

Considering the performance of the company for the year 2013-14, the Board recommends Dividend @ 100% which is same as Dividend declared during last year. This dividend of Rs. 200 lacs is payable for the year 2013-14, subject to approval of shareholders at the Annual General Meeting. Income Tax payable on distribution of Dividend would be Rs. 33.99 lacs. The total outgo towards Dividend and tax thereon would be Rs. 233.99 lacs. This Dividend is more than 20% of the post-tax profit and is in line with the guidelines issued by Ministry of Finance, Department of Expenditure, Government of India. This is the Twenty-Seventh consecutive year in which the Company has declared dividend. After this payment of dividend, the total dividend payment till 2013-14 to Ministry of HRD, Government of India would be Rs. 1834.75 lacs.

### A LOOK BACK AT 2013-14

Based on the new accounting policy, adopted in the year 2012-13, the company achieved net profit before tax of Rs 1405.45 lacs with turnover of Rs 7099.74 lacs. Last year the company posted net profit before tax of Rs. 815.63 lacs with turnover of Rs. 6084.94 lacs.

With a marginal increase in project expenditure, the company could post record profits for the year 2013-14 because of system oriented processes, optimisation of resources and cost control strategies adopted during the year. Training in Project Management imparted to middle and senior managers yielded good results in practising techniques and bringing improvements in Project Life Cycle resulting optimum resource utilisation.

Strengthening of existing systems and practising process orientation techniques continued to be focus areas during 2013-14. Competency mapping, project management tools helped in achieving improved efficiency during the year. Risk management and mitigation was emphasized during the year in the Project Divisions and Technical Support Groups. Awareness on this topic created managers identifying the risks and work for suitable mitigation strategies as per the directives of the management. New Initiative Division started implementing the projects both in training and modules of Class-M. Usage of intranet and IT applications in the Technical Support Groups has been practiced during the year towards faster and efficient data movement across the divisions.

Promotion of Indian Education abroad continued to remain one of the focus areas for the company. During the year 2013-14 EdCIL participated along with its interested partner institutions in 15 Educational Fairs / Seminar cum counseling sessions in 9 countries. EdCIL's promotion of Indian Education abroad efforts were implemented through seminar cum counseling sessions, road shows and participation in the 15 educational fairs including escorting the selected Institutional delegation for customized fairs in 9 countries viz Bhutan, Madagascar, Malaysia, Mongolia, Nepal, Saudi Arabia, Sharjah, Sudan and Turkey.

The total number of projects executed in the operational areas of the company (Technical Assistance, Institutional Development, Placement & Secondment, Recruitment Services and New Initiatives) stood at 122 for the year. A list of Projects completed and ongoing is provided at Annexure I to this report.

The company has been certified for ISO 9001-2008, 14001:2004. Surveillance Audit for the ISO certification was successfully completed during May 2013. Emphasis was given to improve overall environment through practicing greenhouse regulations including usage of alternate energy sources (solar energy), reducing usage of paper and rainwater harvesting.

### **EdCIL IN 2014-15**

Increasing its presence in international markets and continue to keep higher customer satisfaction levels remain focused areas of EdCIL in 2014-15. Business opportunities in Public Private mode and value addition to clients with the experience and expertise of EdCIL continues during the year. Imparting training through business associates to the unemployed youth, categories of special preference and minorities through sponsored organisations will continue during the year. Cost control and Project Management practices will be emphasised to maximise the returns without compromising quality of services. As per the new guidelines of Department of Public Enterprises, EdCIL will undertake CSR and Sustainable Development activities during the year 2014-15.

### **CAPITAL STRUCTURE**

The Authorized & Paid up Capital of the Company stood at Rs. 200 lacs as at the end of the Financial Year.

At the year end, the cash and bank balances including fixed deposits of the Company stood at **Rs. 61.22** crores as compared to last year 2012-13 figures of **Rs. 66.06** crores. The expenditure on acquisition of capital assets during the year was Rs. 46.91 lacs.



## VIGILANCE DEPARTMENT

Regular vigilance activities were carried out with emphasis on participative vigilance activities. Periodic and Surprise check were done at regular intervals and observations were communicated to the concerned departments for compliance. Systems improvements and compliances reinforced aiming to achieve higher productivity and transparency. New employees were given induction training on various procedures including vigilance awareness. Vigilance Awareness week was organized in the Corporation during 28/10/2013 to 02/11/2013 as per CVC guidelines. Various activities were organized during the vigilance awareness week in order to spread general awareness among the employees. Details regarding Vigilance Administration in EdCIL was placed on the website of the Corporation with a facility to link with CVC website for up to date information about CVC circulars / instructions. Facility for lodging vigilance complaints on the website of the Corporation has been provided. Details of Tenders/purchase are being posted on the website of the Corporation. Sensitive posts were identified and job rotation has been done for job enrichment and preventive vigilance. Under the Corporate Governance, a Whistle Blower Policy, in accordance with CVC policy, Integrity Pact and Code of Ethics for Board Members and Senior Management were also been practiced during the year.

## CORPORATE SOCIAL RESPONSIBILITY

As per the guidelines issued by Department of Public Enterprises, EdCIL has constituted a CSR cell and allocated budgets for the financial year 2013-14. As per the approved long range plan blending with its core business areas, the corporation implemented the following initiatives :-

1. EdCIL adopted two schools and two madarasas in the backward area of Barabanki in the state of Uttar Pradesh. E-Learning packages in Hindi and Urdu were supplied and installed in the above so that learning became interactive and interesting. Training were also imparted to teachers in the schools to properly use the e-learning packages. EdCIL also conducted counseling sessions for the students of the madarsa / schools.

The above activities were monitored and evaluated by an independent agency specialised in that area.

## Research & Development

Under the R & D activities, the following two activities were undertaken:

- 1) Research study on opportunities of Indian Universities with Foreign Universities including joint degree programmes. (Developed and Developing Countries).
- 2) "Analytical Study on improving the Global ranking of Indian Universities and exchange of credit system among Indian Universities and Indian with Foreign Universities."

Both the reports have been handed over to MHRD.

## Sustainable Development

Under Sustainable Development, the following two activities were undertaken:

- 1) Solar energy panels were installed in one Madarasa and one school in Barabanki where the CSR intervention taken place. This renewable energy is helping the school to operate the computers in situations of long power cuts during the school timings.
- 2) EdCIL installed solar energy panels to replace conventional lights in its canteen.

As per the guidelines of Department of Public Enterprises, activities pertaining to Corporate Social Responsibility, Research & Development and Sustainable Development were monitored by an

independent Director of the Board through quarterly review meetings subsequently presented to Board of Directors.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the provision contained in Section 217 (2AA) of the Companies Act, 1956, the Directors of your Company confirm:

- a) that in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departure.
- b) that the Directors selected such accounting policies and applied them consistently and made judgments and estimates that were 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 profit of the Company for the year ended 31st March 2014.
- c) that the Directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) that the Directors prepared the annual accounts on a going concern basis.

## **PERSONNEL AND ADMINISTRATION**

EdCIL being a consultancy organisation has always believed that human resource is the most important resource and continues to work for its development. The ongoing thrust on development of human resource continued during the financial year 2013-14 and employees at all levels were given training for improving efficiency and core competency. During the year there has been no man hour loss occurred and good industrial relations maintained.

Training on Corrective Action and Preventive Action (CAPA) & Root Cause Analysis (RCA) was imparted to 19 Executives of the Company. Basic computer knowledge and Record Keeping Management training was given to 15 non-executive cadre besides imparting training to 13 non-executive cadre in Managerial and Team-building Activities in order to improve their working efficiency and enhance output in accordance with given targets. Awareness workshops were also conducted during the year in Risk Management and Mitigation Techniques.

The sanctioned strength of the Company is 96 and the operating strength of the Company as on 31st March 2014 was 81, including 33 reserved category employees under the categories of Schedule Caste-24, Schedule Tribe- 01 and OBC-08.

## **PARTICULARS OF EMPLOYEES UNDER SECTION 217 (2A)**

The particulars of employees as required under Section 217 (2A) of the Companies Act, 1956, read with the Particulars of Employees Rules, 1975 are nil.

## **AUDITORS**

The Statutory Auditors of the Company are appointed by the Comptroller and Auditor General of India (C&AG) under the provisions of Section 619 (2) of the Companies Act. M/s.G. R. Garg & Co. Chartered Accountants were appointed Statutory Auditors of the Company for the financial year 2013-14 by C&AG.

The comments of the Statutory Auditors on the Accounts of the Company for the Financial Year 2013-14 and Replies of the Management are given at Annexure-II.

## CORPORATE GOVERNANCE

As per the Guidelines on Corporate Governance issued by Department of Public Enterprises, following forms an integral part of this Directors' Report.

- (a) A "Corporate Governance Report" containing the details as required by the guidelines is placed at Annexure "III"
- (b) A "Management Discussion and Analysis Report" is placed at Annexure "IV".
- (c) A certificate on compliance of Corporate Governance Guideline obtained from Practicing Company Secretary is placed at Annexure "V".

## COMPLIANCE CERTIFICATE FROM PRACTISING COMPANY SECRETARY

Pursuant to the requirement of proviso to section 383A (1) of the Companies Act, 1956, the Company has obtained a Compliance Certificate from M/s Praveen Rastogi & Co , which is attached herewith and is considered part of this report.

## ACKNOWLEDGEMENTS

The Directors acknowledge and appreciate the hard work, dedication and integrity of all the employees of the Corporation.

The Directors place on record their deep appreciation towards EdCIL's valued clients for their continued cooperation, patronage and confidence and look forward to the continuance of this mutually supportive relationship in future.

The Directors deeply appreciate the continued support, guidance, help and cooperation received by the Company from various Ministries of the Government of India particularly from the Ministry of Human Resource Development, Ministry of External Affairs, Indian Missions abroad, Department of Public Enterprises, Office of the Comptroller & Auditor General of India, Principal Director of Commercial Audit & Ex-officio Member, Audit Board-IV, New Delhi, Statutory Auditors and many other organizations as well as individuals.

For and on behalf of the Board of Directors

Sd/-  
(Rakesh Ranjan)  
Chairman & Managing Director

Dated: 29th December, 2014  
Place: New Delhi

## Annexure- I

## SUMMARY OF PROJECTS COMPLETED / ONGOING DURING THE YEAR 2013-14

### INTERNATIONAL

#### (COUNTRY NAME / CLIENTS NAME / PROJECT NAME / STATUS)

1. **Afghanistan** / Afghan Ministry of Higher Education, Kabul, Afghanistan / Placement of Afghan students in EdCIL associated institutions in Under Graduate, Post Graduate and Doctoral Programmes / **2011-12 Batch** / Ongoing.
2. **Afghanistan** / Afghan Ministry of Higher Education, Kabul, Afghanistan / Placement of Afghan students in EdCIL associated institutions in Under Graduate, Post Graduate and Doctoral Programmes / **2012-13 Batch** / Ongoing.
3. **Afghanistan** / Afghan Ministry of Higher Education, Kabul, Afghanistan / Placement of Afghan students in EdCIL associated institutions in Under Graduate, Post Graduate and Doctoral Programmes / **2013-14 Batch** / Ongoing.
4. **Bhutan** / Royal Civil Service Commission, Royal Government of Bhutan, Thimphu, Bhutan / Placement of Bhutanese students in EdCIL associated institutions in Under Graduate, Post Graduate and Doctoral Programmes / **2011-12** / Completed.
5. **Bhutan** / Royal Civil Service Commission, Royal Government of Bhutan, Thimphu, Bhutan and Ministry of Education, Royal Government of Bhutan, Thimphu, Bhutan / Placement of Bhutanese students in EdCIL associated institutions in Under Graduate, Post Graduate and Doctoral Programmes / **2012-13** / Ongoing.
6. **Bhutan** / Royal Civil Service Commission, Royal Government of Bhutan, Thimphu, Bhutan and Ministry of Education, Royal Government of Bhutan, Thimphu, Bhutan / Placement of Bhutanese students in EdCIL associated institutions in Under Graduate, Post Graduate and Doctoral Programmes / **2013-14** / Ongoing.
7. **Self Financing Students** / Various Countries / Self Finance Students / Placement of Self Finance Students in EdCIL associated institutions in Under Graduate Programmes including the Hotel Management and Agricultural programmes / **2010-12** Completed.
8. **Self Financing Students** / Various Countries / Self Finance Students / Placement of Self Finance Students in EdCIL associated institutions in Under Graduate Programmes including the Hotel Management and Agricultural programmes / **2011-12** / Ongoing.
9. **Self Financing Students** / Various Countries / Self Finance Students / Placement of Self Finance Students in EdCIL associated institutions in Under Graduate Programmes including the Hotel Management and Agricultural programmes / **2012-13** / Ongoing.
10. **Self Financing Students** / Various Countries / Self Finance Students / Placement of Self Finance Students in EdCIL associated institutions in Under Graduate Programmes including the Hotel Management and Agricultural programmes / **2013-14** / Ongoing.

#### Secondment Projects:

11. **Ethiopia** / Ethiopian Civil Service University, Addis Ababa, Ethiopia / Secondment of Indian Expatriates to the Ethiopian Civil Service University, Addis Ababa , Ethiopia / **2013-14** / Ongoing.
12. **Ethiopia Africa** / Lucky Export for OEB Ethiopia, Africa/ Grade 8 Examination Administration and Marking Software/**Completed**.

13. **Nepal** (Kathmandu): Holding of entrance examination (**COMPEX-Nepal 2013**) for the selection of Nepalese students for admission in various Indian Universities for MBBS, B.E, B.Pharm, BVSc, B.Sc. (Dairy Technology), B.Sc. (Agriculture), etc. for the Academic Year 2013-2014. **Project Completed.**
14. **Tanzania** / University of Dodoma, Tanzania / Recruitment of Academic Staff for the University of Dodoma, Tanzania / **2012-13** / Ongoing.

## NATIONAL

### (COUNTRY NAME / CLIENTS NAME / PROJECT NAME / STATUS)

#### A. INSTITUTIONAL DEVELOPMENT

15. **Chattisgarh:** Setting-up of International Institute of Information Technology (IIIT), Raipur, Chattisgarh (Consultancy Services Package for Preparation of Detailed Engineering Drawings and Tendering Specifications) – **Project Ongoing.**
16. **Himachal Pradesh:** Establishment of Central University of Himachal Pradesh at Dharamshala Kangra District (H.P.) –(Consultancy services for Conducting Detailed Contour & Geo-Technical Survey and Master Plan) – **Completed.**
17. **Kashmir:** Establishment of Central University of Kashmir (Consultancy Services for conducting Architectural Design Competition & Master Plan) – **Completed.**
18. **Madhya Pradesh:** Residential Staff Quarters and 2nd & 3rd Boys Hostel, MDP Centre and Guest House for Atal Bihari Vajpayee Indian Institute of Information Technology & Management, Gwalior (Package-II Works). – **Project Completed & Handed over – Financial Closure Under Progress.**
19. **Madhya Pradesh:** Rustamji Institute of Technology (RJIT), Tekanpur. Construction of Rustamji Institute of Technology, Tekanpur, Gwalior. – **Project Completed. - Financial Closure Under Progress.**
20. **Maharashtra:** Preparation of Detailed Engineering Drawings and Tendering Specifications for Setting up of Solapur Power Training Institute, Solapur for NTPC Limited. – **Completed – Financial Closure Under Progress.**
21. **New Delhi:** Establishment of Mahatma Gandhi Institute of Education for Peace & Sustainable Development in New Delhi - **Completed – Financial Closure Under Progress.**
22. **Orissa:** Indira Gandhi National Open University, Preparation of Master Plan for National Centre for Vocational Education and Training at Phulbani, District- Kandhmal, Orissa. – **Completed – Financial Closure Under Progress.**
23. **Uttar Pradesh:** Construction of Indian Institute of Information Technology, Allahabad– **Completed – Financial Closure Under Progress.**
24. **Uttar Pradesh:** Construction of Multi Purpose Hall at Kendriya Hindi Sansthan, Agra– **Project Ongoing.**
25. **Site Inspection** – Site Inspection of various institute of Technical Education by MHE. MHRD – Govt. of India – Puducherry, Mizoram & Nagaland- **Completed.**



**B. PROCUREMENT STATE LEVEL**

26. **Madhya Pradesh** / ABV-IIITM, Gwalior / Supply & Installation of Furniture Items for Academic Block, Visitor Hostel / Guest House at ABV-IIITM, Gwalior – **Completed.**
27. **Madhya Pradesh** / ABV-IIITM, Gwalior / Supply & Installation of Electronics Equipments for Visitor Hostel / Guest House at ABV-IIITM, Gwalior – **Completed.**
28. **Uttar Pradesh** / National Project Implementation Unit (NPIU) / Supply & Installation of IT / VC Equipments and furniture items at National Project Implementation Unit (NPIU) - **Completed.**
29. **New Delhi** / MHRD / Establishment of Mahatma Gandhi Institute of Education for Peace & Sustainable Development (MGIEP & SD) in New Delhi – **On Going.**

**C. RECRUITMENT SERVICES STATE LEVEL**

30. **Chattisgarh:** Conduct of written examination for recruitment to the Post of Assistant Engineer, Junior Engineer and Shift Chemist at Chattisgarh State Power Holding Company Limited (CSPHCL). **Project Completed.**
31. **New Delhi:** Conduct of written examination and trade test for recruitment to fill up the Posts of Chaudhary from Malies, etc. at Municipal Corporation of Delhi (MCD). **Project Completed.**
32. **New Delhi:** Conduct of written examination and interview for recruitment to the Post of Ambulance Paramedic and Driving Skill Test and Interview for the Post of Ambulance Driver in Centralized Accident and Trauma Services (CATS). **Project Completed.**
33. **New Delhi:** Conduct of written examination and Skill (Typing) Test for recruitment for appointment to the Post of Lower Division Clerk (LDCs) in University Grants Commission. **Project Completed.**
34. **New Delhi:** Conduct of written examination for direct recruitment to fill up the post of Deputy General Manager (Telecom Operations / Telecom Finance) in Bharat Sanchar Nigam Limited (BSNL). **Project Ongoing.**
35. **New Delhi:** Recruitment to the post of Additional General Manager, Joint General Manager, Deputy General Manager, Manager, Assistant Manager, Senior Executive & Executive in Dedicated Freight Corridor Corporation of India (DFCCIL-IV). **Project Completed.**
36. **New Delhi:** Conduct of written examination for recruitment to the Post of Assistant Coaches-Category 3(b) and Coach Grade-III-Category 3(a) (Archery, Athletics, Boxing, Cycling, Fencing, Hockey, Gymnastic, Judo, Kayaking & Canoeing, Rowing, Shooting, Swimming & Diving, Taekwondo, Volleyball, Weightlifting, Wrestling & Wushu) in Sports Authority of India Limited (SAI). **Project Completed.**
37. **New Delhi:** Direct Recruitment to fill up the posts of Assistant, Stenographer, Technical Assistant (Lab), Junior Stenographer, Junior Translator (Hindi) and Lower Division Clerk in Bureau of Indian Standards (BIS). **Project Completed.**
38. **Punjab:** Conduct of written examination for the posts of AE (OT) and JE / APA / AJS / Supervisor-Instrumentation in Punjab State Power Corporation Limited (PSPCL-III) Phase-I and II. **Project Completed.**

#### D. NEW INITIATIVES

39. **Assam** / Govt. of Assam /Computerisation of Assam Engineering College/ **Go-live phase (implementation of SAP solution) completed and balance hardware are yet to be supplied.**
40. **Assam/Bihar/Uttar Pradesh/** Ministry of Social Justice and Environment/Free coaching to SC and OBC candidates in the Gaya(Bihar-200candidates), Morigaon (Assam) and Uttar Pradesh/**On going.**
41. **Delhi/NSKFDC/Skill Development training programme of National Safai Karamachari Finance & Development Corporation,(NSKFDC),in Tripura(1000 candidates)/Bihar/ Ongoing.**
42. **Delhi/UGC/Anti Ragging Helpline(advertisement)/Ongoing.**
43. **Himachal Pradesh/Himachal Pradesh State Govt./Quality School Certification from QCI/ NABET/ System implementation stage is over. Schools are yet not up to the mark.**
44. **West Bengal/Aliah University/Capacity Building Training program for Minority of Aliah University, Kolkatta, West Bengal /On going.**
45. **West Bengal/Aliah University-Phase-II/Capacity Building Training program for Minority of Aliah University, Kolkatta, West Bengal / On going.**
46. **West Bengal/Aliah University-Phase-III/Capacity Building Training program for Minority of Aliah University, Kolkatta, West Bengal /On going.**
47. **West Bengal/WBMDFC/West Bengal Minorities training program (vocational training program for minorities in different trades- Phase-I /On going.**
48. **West Bengal/WBMDFC/West Bengal Minorities training program (vocational training program for minorities in different trades- Phase-II /On going.**
49. **Maharashtra/ Govt. of Maharashtra/ Supply of K-YAN an integrated computer-cum-projector with multimedia learning software (CLASS-M PROJECT)/Completed.**
50. **Sikkim/NSFDC/skill development training in computer hardware maintenance and office automation in internet in the state of Sikkim /Ongoing.**
51. **Tripura/NSFDC/Skill Development training in computer hardware maintenance and office automation in internet in the state of Tripura / Ongoing.**
52. **Uttar Pradesh/NMDFC/ EDP/Vocational training program in the State of Uttar Pradesh/ Ongoing.**
53. **Uttar Pradesh Meerut, /CCS University, Meerut/Online Admission management system CCS University, Meerut/Completed.**
54. **Across India (38 students) /Khadi & Village Industries Commission (KVIC)/ Basic computer training across India/Ongoing.**

#### E. TECHNICAL ASSISTANCE

55. **Andhra Pradesh, Hyderabad, National Institute for Micro, Small and Medium Enterprise (ni-MSME), Concept Report of Up-gradation of ni-MSME to SME University- Completed.**
56. **Bihar, Aligarh Muslim University, Aligarh - Preparation of DPR for Establishing the AMU Centres at Kishanganj (Bihar) – Completed.**

57. **Delhi**, Ministry of Culture, Govt. of India, Government of India - Evaluation of Artistes Pension Scheme for Ministry of Culture – **Completed**.
58. **Delhi**, Ministry of Minority Affairs, Government of India - DPR for establishment of Six Universities in Minority Dominated Areas – **Completed**.
59. **Delhi**, Delhi Institute of Tourism & Travel Management - Feasibility cum DPR for Conversion of Indian Institute of Tourism and Travel Management to Delhi Institute of Tourism & Travel Management – **Ongoing**.
60. **Delhi**, Ministry of Human Resource Development, Government of India - Development and Updation of Website Contents of MHRD – **Ongoing**.
61. **Delhi**, Central Board of Secondary Education - Conducting Study on Comprehensive & Continuous Evaluation Scheme (CCE) for CBSE – **Ongoing**.
62. **Delhi**, Indian Tourism Development Corporation - Preparation of DPR for Establishment of Tourism University – **Ongoing**.
63. **Himachal Pradesh**, Shimla, Indian Institute of Advanced Studies (IIAS) - Preparation of a Report on Cost Estimates for Renovation Work of Heritage Building of IIAS Shimla – **Completed**.
64. **Himachal Pradesh**, SJVN - DPR for setting up Engineering College in Himachal Pradesh – **Ongoing**.
65. **Gujarat**, Reliance India Limited - Preparation of DFR on Establishment of Engineering College at Jamnagar – **Ongoing**.
66. **Haryana**, Gurgaon, Ministry of Defence, Government of India - Preparation of DPR, Draft Layout Plan and Acts & Statutes for Setting Up the Indian National Defence University (INDU) at Binala, Gurgaon – **Ongoing**.
67. **West Bengal**, Kolkata, Damodar Valley Corporation - Evaluation Study of the Existing DVC Schools and Preparation of Future Road Map – **Ongoing**.

#### **F. PLACEMENT & SECONDMENT**

68. **New Delhi** / Ministry of External Affairs, Government of India / Placement of Nepalese Students in B. Tech. Programme for **2010-2011 Batch** / Completed.
69. **New Delhi** / Ministry of External Affairs, Government of India / Placement of Nepalese Students in B. Pharmacy Programme in **2010-2011 Batch** / Completed.
70. **New Delhi** / Ministry of External Affairs, Government of India / Placement of Nepalese Students in PhD. Programme for **2010-2011 Batch** / Completed.
71. **New Delhi** / Ministry of External Affairs, Government of India / Placement of Nepalese Students in Agriculture and Veterinary Programmes for **2010-2011 Batch** / Completed.
72. **New Delhi** / Ministry of External Affairs, Government of India / Placement of Nepalese Students in BAMS Programme for **2010-2011 Batch** / Ongoing.
73. **New Delhi** / Ministry of External Affairs, Government of India / Placement of Nepalese Students in B. Tech. Programme for **2011-2012 Batch** / Ongoing.
74. **New Delhi** / Ministry of External Affairs, Government of India / Placement of Nepalese Students in BBA/BBM/B.Com. Programmes for **2011-2012 Batch** / Completed.

75. **New Delhi** / Ministry of External Affairs, Government of India / Placement of Nepalese Students in B. Pharmacy Programme for **2011-2012 Batch** / Ongoing.
76. **New Delhi** / Ministry of External Affairs, Government of India / Placement of Nepalese Students in PhD. Programme for **2011-2012 Batch** / Completed.
77. **New Delhi** / Ministry of External Affairs, Government of India / Placement of Nepalese Students in BAMS Programme for **2011-2012 Batch** / Ongoing.
78. **New Delhi** / Ministry of External Affairs, Government of India / Placement of Nepalese Students in Agriculture and Veterinary Programmes for **2011-2012 Batch** / Ongoing.
79. **New Delhi** / Ministry of External Affairs, Government of India / Placement of Nepalese Students in MCA Programme for **2011-2012 Batch** / Completed.
80. **New Delhi** / Ministry of External Affairs, Government of India / Placement of Nepalese Students in B. Tech. Programme for **2012-2013 Batch** / Ongoing.
81. **New Delhi** / Ministry of External Affairs, Government of India / Placement of Nepalese Students in M.Tech. Programme for **2012-2013 Batch** / Completed.
82. **New Delhi** / Ministry of External Affairs, Government of India / Placement of Nepalese Students in MBA / MCA Programme for **2012-2013 Batch** / Ongoing.
83. **New Delhi** / Ministry of External Affairs, Government of India / Placement of Nepalese Students in Agriculture and Veterinary Programmes for **2012-2013 Batch** / Ongoing.
84. **New Delhi** / Ministry of External Affairs, Government of India / Placement of Nepalese Students in BAMS Programme for **2012-2013 Batch** / Ongoing.
85. **New Delhi** / Ministry of External Affairs, Government of India / Placement of Nepalese Students in PhD Programme for **2012-2013 Batch** / Ongoing.
86. **New Delhi** / Ministry of External Affairs, Government of India / Placement of Nepalese Students in B. Pharmacy Programme for **2012-2013 Batch** / Ongoing.
87. **New Delhi** / Ministry of External Affairs, Government of India / Placement of Nepalese Students in BBA/BBM/B.Com. Programme for **2012-2013 Batch** / Ongoing.
88. **New Delhi** / Ministry of External Affairs, Government of India / Placement of Nepalese Students in BBA/BBM/B.Com. Programme for **2013-2014 Batch** / Ongoing.
89. **New Delhi** / Ministry of External Affairs, Government of India / Placement of Nepalese Students in B. Pharmacy Programme for **2013-2014 Batch** / Ongoing.
90. **New Delhi** / Ministry of External Affairs, Government of India / Placement of Nepalese Students in PhD. Programme for **2013-2014 Batch** / Ongoing.
91. **New Delhi** / Ministry of External Affairs, Government of India / Placement of Nepalese Students in BAMS / MD Programme for **2013-2014 Batch** / Ongoing.
92. **New Delhi** / Ministry of External Affairs, Government of India / Placement of Nepalese Students in Agriculture, Dairy Technology and Veterinary Programmes for **2013-2014 Batch** / Ongoing.
93. **New Delhi** / Ministry of External Affairs, Government of India / Placement of Nepalese Students in MBA/MCA/MA Programme for **2013-2014 Batch** / Ongoing.



94. **New Delhi** / Ministry of External Affairs, Government of India / Placement of Nepalese Students in M.Tech. Programme for **2013-2014 Batch** / Ongoing.
95. **New Delhi** / Ministry of External Affairs, Government of India / Placement of Nepalese Students in B. Tech. Programme for **2013-2014 Batch** / Ongoing.
96. **New Delhi** / Ministry of Overseas Indian Affairs, Government of India / Placement of Students and Disbursement of Scholarship to selected Students for various Under Graduate Programmes under SPDC for **2009-2010 Batch** / Completed.
97. **New Delhi** / Ministry of Overseas Indian Affairs, Government of India / Placement of Students and Disbursement of Scholarship to selected Students for various Under Graduate Programmes under SPDC for **2010-2011 Batch** / Ongoing.
98. **New Delhi** / Ministry of Overseas Indian Affairs, Government of India / Placement of Students and Disbursement of Scholarship to selected Students for various Under Graduate Programmes under SPDC for **2011-2012 Batch** / Ongoing.
99. **New Delhi** / Ministry of Overseas Indian Affairs, Government of India / Placement of Students and Disbursement of Scholarship to selected Students for various Under Graduate Programmes under SPDC for **2012-2013 Batch** / Ongoing.
100. **New Delhi** / Ministry of Overseas Indian Affairs, Government of India / Placement of Students and Disbursement of Scholarship to selected Students for various Under Graduate Programmes under SPDC for **2013-2014 Batch** / Ongoing.

#### **G. TECHNICAL ASSISTANCE (Govt. & MHRD)**

101. **New Delhi** : Department of Higher Education, MHRD-Providing Manpower services (Data Entry Operator & Peon) on contractual basis – ongoing
102. **New Delhi** : National Scholarship Division, MHRD -Providing Manpower services (Data Entry Operator) on contractual basis – Ongoing
103. **New Delhi** : All India Council for Technical Education- Providing Manpower services (Data Entry Operator, Receptionist, Electrician, Help Desk Executive & Peon etc) on contractual basis - Ongoing
104. **New Delhi** : Department of Justice- Access to Justice- Providing Manpower services (Project Manager, Project Officer, Monitoring & Evaluation Officer, Contract Specialist etc.) on contractual basis- Ongoing
105. **New Delhi** : Department of Justice- National Mission- Providing Manpower services (Legal Officer, Statistical Assistant, Executive Assistant, Office Assistant etc.) on contractual basis- Ongoing
106. **New Delhi** : Ministry of Urban Development- Providing Manpower services (Data Entry Operator & Consultants) on contractual basis- Ongoing
107. **New Delhi** : Dedicated Freight Corridor Corporation- Providing Manpower services (Stenographer, Office Assistant, PR Executive, Telecom Assistant etc) on contractual basis- Ongoing
108. **New Delhi** : BP & Copyright, MHRD - Providing Manpower services (Data Entry Operator & Helpers) on contractual basis- Ongoing
109. **New Delhi** : Central Vigilance Commission- Recruitment of Data Entry Operator- Completed

110. **New Delhi :** Rajya Sabha Secretariat- Recruitment of Manpower- Completed.
111. **Ministry of Human Resource Development.** Government of India. Providing of Logistic Support for Sarva Shiksha Abhiyan (SSA) Project. Project Ongoing.
112. **Ministry of Human Resource Development.** Government of India. Department of Elementary Education & Literacy. Providing of Logistic Support for Mid Day Meal (MDM) Project. Project Ongoing.
113. **Ministry of Human Resource Development.** Government of India. Providing of Logistic Support for Release of Funds to Monitoring Institutes for Sarva Shiksha Abhiyan (SSA-MI) Project. Project Ongoing.
114. **Ministry of Human Resource Development.** Government of India. Providing of Logistic Support for the National Project implementation Unit (NPIU), Technical Educational – III. Project Completed.
115. **Ministry of Human Resource Development.** Government of India. Providing of Logistic Support for Release of funds to National Scheme for Incentive for Girls of Secondary Education (NSIGSE). Project Ongoing.
116. **Ministry of Human Resource Development.** Government of India. Providing of Logistic Support for National Mission on Education through Information and Communication Technology (NMEICT). Project Ongoing.
117. **Ministry of Human Resource Development.** Government of India. Providing of Logistic Support for Girls Hostel Project (GHP). Project Ongoing.
118. **Ministry of Human Resource Development.** Government of India. Providing Logistic Support for Rastriya Madhyamic Shiksha Abhiyan (RMSA) Project . Project Ongoing.
119. **Ministry of Human Resource Development.** Government of India. Providing Technical Assistance and Consultancy Services under National Literacy Mission Authority (NLMA) for Shaakshar Bharat Scheme. Project Ongoing.
120. **Ministry of Human Resource Development.** Government of India. Providing Technical Assistance and Consultancy Services under Teachers Education Project. Project Ongoing.
121. **Ministry of Human Resource Development.** Government of India. Providing Technical Assistance and Consultancy Services under Mahila Samakhya Project. Completed.
122. **Ministry of Human Resource Development.** Government of India. Providing Technical Assistance and Consultancy Services under SPQUEM Project. Project Completed.

**Annexure-II**

## Addendum to the Directors' Report

### Management's Replies to the Comments contained in the Statutory Auditor's Report to the Shareholders on the Accounts of EdCIL (India) Limited for the year ended 31st March, 2014

Sl.	Comments of the Statutory Auditors	Management Replies
1	Balances of trade receivables, trade payables, loans & advances and bank balances with Midland Bank, London (refer to note 14.1 of notes to accounts) have not been got confirmed from counter parties . The financial impact of this non-compliance, if any, could not be determined.	<p>In respect of Sundry Debtors of Rs. 669.42 lacs, provision for Doubtful Debts has been made for Rs. 79.30 lacs. Besides debtors of Rs. 471.55 lacs have been collected during F.Y 2014-15. The Recovery cell is in the process of reconciliation of balances with Sundry Debtors, towards recovery of dues and also settlement of Loans and Advances. Hence separate confirmation from counter parties was not taken.</p> <p>There has been no transaction in the bank account with Mid Land Bank for the past more than 5 years. Besides, statement from Mid Land bank London upto Oct-2013 has been received after the finalisation of accounts and the balance is GBP10.</p>
2	Information is not available regarding classification of creditors into Micro, Small and Medium enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 (refer to note 6.1 of notes to accounts). The financial impact of this non-compliance, if any, could not be determined	In this regard, reference is kindly drawn to note 6.1 of Notes to Accounts wherein it has been mentioned that "There are no dues outstanding which attract the provisions of section 22 of the MSME Development Act 2006.
3	Loans & Advances includes Rs. 69.58 lakhs (previous year Rs. 83.91 lakhs) which are unsecured, and outstanding for a period of more than three years have not been got confirmed. The company has created provision of Rs. 49.47 lakhs (previous year Rs. 30.66 lakhs) against these advances. In our opinion, the recovery of dues is doubtful. To the extent of shortfall of provisioning of Rs. 20.11 lakhs (previous year Rs. 53.25 lakhs), the profit and loans and advances have been overstated.	<p>The Management review loans and advances recoverable during F.Y 2013-14. The dues considered doubtful have been provided in the books of accounts, giving the importance to loans and advances greater than 3 years, the Recovery Cell is also focusing on reconciliation and adjustment of the same. The other balances have been considered good for recoverable by the Management and accordingly for this no provision was considered to be made in the books of accounts for F.Y 2013-14.</p> <p>The documents evidencing the follow up action of the Company has been shown to the Statutory Auditor.</p>

4	<p>Attention is drawn to Note 17.3 to the financial statements, wherein the company has shown expenses worth Rs.23.81 lakhs, pertaining to Financial Year 2012-13, as current year expenditure whereas it should have been shown as prior-period item. Similarly, income pertaining to FY 2012-13 amounting to Rs.27.14 lakhs was also shown as current year income whereas it should have been disclosed as prior-period item.</p>	<p>This relates to renovation of Vijaya Building wherein HVAC work was undertaken. MHRD approval for the expenditure was received during F.Y 2013-14. Accordingly this expenditure has been adjusted against advance during F.Y 2013-14 and is shown as utilization of F.Y 2013-14. Hence no correction entry is required as prior period income.</p>
5	<p>The company has Provided liability for gratuity of only regular employees on the basis of actuarial valuation obtained and the same has not been extended to the contractual staff (refer to para 7.1 to Note to accounts). The financial impact of this non-compliance cannot be quantified as the company has not got the actuarial valuation done for the same.</p>	<p>EdCIL's payment of Gratuity Rules for Contractual Employees was approved by the Board on 3rd June 2014. Hence, the liability for Gratuity for Contractual Employees on Actuarial Valuation could not be carried out in FY 2013-14.</p>
6	<p>The company has not provided for liability towards post-retirement medical cost benefits payable to employees which is in violation of AS-15 regarding Accounting for Employee Benefits. The financial impact of the same cannot be ascertained.</p>	<p>The Company has adopted policy in F.Y 2014-15 on "Post Retirement Mediclaim Facility" for extending Medical facilities to retired / Deceased Employees after 01.01.2007, with the approval of MHRD dated 26.05.2014. Hence provision for liability towards post-retirement medical cost benefits could not be made during F.Y 2013-14.</p>
7	<p>Reference may be made to para 3 of note no. 15 to financial statements regarding execution of ERP implementation project for Assam Engineering College. The company has recognized Work in Progress of Rs.62.65 lakhs as of 31-3-2014. The invoices issued by the vendors/ service providers against the goods supplied and work accomplished as per milestones subscribed in proposal accepted by client amount to Rs.213.11 lakhs (inclusive of taxes) for year under audit. The company has not been able to provide satisfactory reply for not recognising the whole of the bills received as Work in Progress.</p>	<p>Assam Engineering College Project is a turnkey project having three major internal differential components. The first component is SAP License, second component is implementation of SAP Software and the third component is supply of Hardware (Supplementary). The execution started during the year 2013-14 and last portion of the project i.e Go-Live has taken place during 2014-15. However, the project being turnkey based, the final bill to the client will be raised only on successful completion of all the obligations of the project. Due to this reason , part bills have been paid to some vendors although the Company has received 90% of the advance of the total project cost from the client.</p>



	<p>It is apprehended that the shortfall of Rs.144.82 lakhs in Work in Progress, being the difference between the amount of the bills received and amount of Work in Progress recognized, has resulted in under-statement of Work in Progress as well as its corresponding liability by the aforementioned amount.</p> <p>Further, the amount of bill received of Rs.213.11 lacs constitute 68.75% of the project cost. If the whole of the bill received had become Work in Progress, proportionate income attributable to completed part of project should have been recognized as income from project. We have not been able to determine the related income in the absence of information.</p>	<p>As regards supply of information to audit, some of the original documents requested by the audit are now ready. Since, an amount of Rs. 213.11 lacs which was not booked as the turnover for the year 2013-14 qualifies for Work In Progress for the same project.</p> <p>In respect of bills of Rs. 144.82 lacs for the balance of work done, verification is in progress for the deliveries made.</p>
8	<p>In absence of reconciliation made available to us for Service Tax credit available and dues payable as at end of financial year, we cannot comment on the accuracy or otherwise of Service Tax asset of Rs.313.14 lakhs.</p>	<p>The Company is in the Process of reconciling the Service Tax Account and revising the returns.</p>
9	<p>An amount of Rs.44.52 lakhs included as advance tax paid represents FBT pertaining to years 2006-07, 2007-08 and 2008-09, the adjustment of which by charging to Profit &amp; loss account was omitted to be done in past resulting in overstatement of Tax assets by Rs.44.52 lakhs and overstatement of Liability on FBT provision by Rs.44.47 lakhs (refer para 7.2 of notes to accounts)</p>	<p>The adjustment could not be made due to pending assessment of FBT for the years 2006-07, 2007-08 and 2008-09 by the Income Tax Department.</p>

**Annexure III****CORPORATE GOVERNANCE REPORT****1. A brief statement on Corporate Governance**

The Corporate Governance is conducting the affairs of the Company with transparency and in compliance with management practices, laws, rules, regulation.

**2. Board of Directors****2.1 Composition of the Board of Directors of EdCIL as follows:**

- One Chairman and Managing Director.
- One Nominee of Ministry of Human Resource & Development.
- One Nominee of Ministry of External Affairs.
- Four Independent Non-official Directors

**2.2 Strength of the Board**

On the date of the report, the total strength of the Board of Directors of the Company is five comprising One Chairperson & Managing Director, one part-time nominee Director from Ministry of Human Resources Development (MHRD), one part time nominee Director from Ministry of External Affairs (MEA) and two independent part time Director. At present, the place of two part time independent Directors are vacant. The Company has requested the Ministry of Human Resource Development to fill up the vacancies of two independent Part Time Directors.

**2.3 Attendance of Directors at the Board Meetings**

During the financial year 2013-14, the Board of Directors met seven times to transact the business and have complied with the provisions of Companies Act, 1956 read with the DPE guidelines relating to Board Meetings. In all cases of absence of Director, Leave of Absence was granted under clause (g) of sub section (1) of section 283 of the Companies Act, 1956. The meetings of the Board of Directors of EDCIL were held on following dates as mentioned below:

S.No.	Meeting No.	Dates
1	133 <sup>rd</sup> Meeting	16.05.2013
2.	134 <sup>th</sup> Meeting	07.08.2013
3.	135 <sup>th</sup> Meeting	19.08.2013
4.	136 <sup>th</sup> Meeting	29.08.2013
5.	137 <sup>th</sup> Meeting	07.11.2013
6.	138 <sup>th</sup> Meeting	13.12.2013
7.	139 <sup>th</sup> Meeting	07.03.2014

Name of Director	133 <sup>rd</sup>	134 <sup>th</sup>	135 <sup>th</sup>	136 <sup>th</sup>	137 <sup>th</sup>	138 <sup>th</sup>	139 <sup>th</sup>
Mrs. Anju Banerjee, CMD	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Smt. Amita Sharma	No	No	Yes	Yes	No	No	No
Sh. Surendra Prasad	Yes	Yes	Yes	Yes	Yes	Retired	
Mrs. Neeta Bhushan	(Appointed in July 2013)	No	Yes	Yes	Yes	Yes	No
Mrs. Lata Vaidyanathan	Appointed by MHRD on 19.08.2013			No	Yes	No	Yes
Prof. Anil Kumar Gupta				No	No	Yes	No

## 2.4 Statement of sitting fees paid to independent Directors paid during F. Y. 2012-13.

Name of Director	133 <sup>rd</sup>	134 <sup>th</sup>	135 <sup>th</sup>	136 <sup>th</sup>	137 <sup>th</sup>	138 <sup>th</sup>	139 <sup>th</sup>	Total
Prof. Surendra Prasad	3000	3000	3000	3000	3000	Retired	Retired	15000
Mrs. Lata Vaidyanathan	-	-	-	-	3000	-	10000	13000
Prof. Anil Kumar Gupta	-	-	-	-	-	10000	-	10000

## 3. Audit Committee / Remuneration Committee

### 3.1.1 Composition and Strength of Audit/ Remuneration Committee

- One Independent Director as Chairman of the Audit Committee.
- One Independent Director as Member.
- One Nominee Director of MHRD as Member.
- One Nominee Director from MEA as Member.

MHRD vide its OM dated F.20-21/2011 –TS VII/TS II dated 19.08.2013 nominated Ms. Lata Vaidyanathan & Prof. Anil Kumar Gupta as part time non official director on the Board of EdCIL. After appointment by MHRD, the Board of Directors in their 137th meeting held on 07.11.2013 had constituted Audit/Remuneration Committee. Since the Audit / Remuneration Committee was constituted on 07.11.2013 only one meeting took place in F.Y 2013-14.

## 3.2 Attendance of Members at Committee Meetings:

Sl. No.	Date	Members Present /Absent			
		Mrs. Lata Vaidyanathan (Chairman)	Mrs. Amita Sharma (Member)	Mrs. Neeta Bhushan (Member)	Prof. Anil Kr. Gupta (Member)
1st	04.02.2013	Present	Absent	Present	Absent

## 3.3 Statement of sitting fees paid to independent Directors Members of Audit/ Remuneration Committee paid during F. Y. 2013-14.

Name of Director	1st Audit Committee Meeting
Mrs. Lata Vaidyanathan	Rs. 5000/-

#### 4. Disclosure on Remuneration package of Chairperson & Managing Director:

(Rs.)

S.No	Name of the Directors	Salary & Allowances	Other Benefits & Perks	Performance Related Pay	Retirement Benefits	Bonus/ Commission/ Ex-gratia	Total
1	Smt. Anju Banerjee, CMD	16,18,160	17,12,837	F.Y 2011-12 Rs.1,39,405  F.Y 2011-12 Rs. 5,85,243	1,94,179	NIL	35,25,176

### 5. GENERAL MEETINGS

#### 5.1 Annual General Meetings

The Annual General Meetings of the Company are held at New Delhi, where the registered office of the Company is situated. The details of such meetings held during the last three years are as under:

Particulars	Venue	Date	Time
30th AGM of 2010-11	Office of Secretary (Higher Education), MHRD, Shastri Bhavan, New Delhi	28.09.2011	1430 Hrs.
31st AGM of 2011-12	Office of Secretary (Higher Education), MHRD, Shastri Bhavan, New Delhi	11.12.2012	1730 Hrs
Adjourned 31st AGM of 2011-12	Office of Secretary (Higher Education), MHRD, Shastri Bhavan, New Delhi	21.05.2013	1500 Hrs
Extra-Ordinary General Meeting	Office of Secretary (Higher Education), MHRD, Shastri Bhavan, New Delhi	23.07.2012	1700 Hrs
32nd AGM for F.Y. 2012-13	Office of Secretary (Higher Education), MHRD, Shastri Bhavan, New Delhi	30.09.2013	1500 Hrs

#### Detail of special resolutions passed in the previous three AGMs.

AGM	Year	Subject Matter of the Special Resolution	Date
30th	2010-11	Change in the Object Clause proposed but could not be passed	28.09.2011
31st	2011-12	Change in the Object Clause.	11.12.2012
EGM		Change in the Object Clause.	23.07.2012
32nd	2012-13	No Special Resolution Passed	30.09.2013



## **6. Code of Business Conduct and Ethics**

The Company has in place the Code of Conduct for Board Members and Senior Level Management duly approved by the Board of Directors. The Board approved Code of Business Conduct and Ethics for Board members and Senior Management during 126th Meeting of Board of Directors held on 29.08.2011.

## **7. Means of Communication**

The company communicates with its shareholders through its Annual Report, General Meetings and disclosures through website. The audited annual financial results are displayed on EDCIL website at [www.edcilindia.co.in](http://www.edcilindia.co.in). Information and latest updates on Tenders/EOIs, details of tenders/contracts awarded, press releases, Mission and objectives of the Company can be accessed at company's website. Company publishes its quarterly Newsletter.

## **8. Training of Board Members**

EDCIL is concerned to take various training programmes for its officers/ employees. In order to acquaint the Board Members, presently the Corporation has adopted the practice of furnishing a set of documents/ booklets to a Director on his/ her joining the Board. The set of documents provided includes Annual Reports for the last financial years, Memorandum and Articles of Association, a copy of the Memorandum of Understanding and MOU targets and achievements. This provides the basic information about the Company to the incumbent.

## **9. Whistle Blower Policy**

Under the Corporate Governance, a Whistle Blower Policy, in accordance with CVC policy, has been adopted in the corporation during the Financial Year. The policy ensures that a genuine Whistle Blower is granted due protection from any victimization.

## **10. Compliance Certificate**

The Certificate from a practicing Company Secretary regarding Compliance of the conditions of Corporate Governance in accordance with the guidelines issued by the Department of Public Enterprises forms the part of the Annual Report.

## **Annexure IV**

# **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

## **Industry Structure and Developments**

Education – School as well as technical & higher, remains high priority of Govt. of India. Successive 5 year plans adopted by progressive governments emphasized focused role on education. Accordingly, budgets were also allocated on highest priority to this sector. Last 5 years witnessed several policy initiatives and focus on quality education resulting in strengthening the school education system at the grass root level and providing high growth path for technical & higher education segments. Right to education, usage of ICT in school education, affordable computer tablets for all the school children, content development & digitalization of school education module, learning through computers, entry of foreign universities to Indian education system, exploring dual degrees & credit recognitions in between Indian and foreign universities are some of the important achievements / happenings witnessed in the recent years. Quality of education both in school as well as higher education system remained top priority of the government. A measureable and comparable robust system keeping in view of the global standards is need of the hour in the Indian scenario. Human resources in India will have to serve domestic needs and also face global competition in the open economy. Therefore, strengthening the education system right from the school education will only address to achieve this mammoth goal which will put India in a niche knowledge arena. Accordingly, opportunities are plenty in the educational consultancy and service sector. As private enterprises possess knowledge in specialized areas and also well networked with requisite infrastructure, there is a need to harness strengths of these segmented knowledge hubs and integrate towards offering value added services to clients. Business opportunities, however, going to witness speedy growth trends in the next few years.

## **Strengths**

- Only consultancy organization in Education and Human Resource Development sector in India offering gamut of services in education and human resource development under one roof.
- Intellectual inventory on account of multi-task consultancy assignments.
- Flexibility in operations and adoption of project management mode in delivery mechanism resulting in project basis resource mobilization.
- Ensuring value for money for clients through its project management mechanism.
- Experience in global markets especially in developing countries.

## **Weaknesses**

- Absence of effective mechanism for knowledge upgradation of empanelled consultants.
- Capacity constraints at times in undertaking voluminous projects.
- Regulatory impediments in acquiring private business opportunities in India and globally.

## **Opportunities**

- Plenty of opportunities in consultancy services and value addition pertaining to school as well as higher education segments.
- Opening up Indian education for foreign universities.
- Quality in education: certification and accreditation

- Skill development opportunities across the board.
- E-education and third party certification opportunities.
- Standardisation and benchmarking opportunities in schools and colleges.

### **Threats**

- Low cost national competition from private players
- Forward integration approach of specialized institutions
- Increasing manpower costs as well as increasing manpower turnover
- Apt synergy of delivery Vs project objectives

### **Strategies**

- Forward and backward integration of existing service pattern in selected areas
- Capacity building for integrated project management
- Networking and partnership approach with specialized service agencies, especially in private sector
- Increasing presence as well as market share in developing countries / markets
- Managing a healthy portfolio of government and private business opportunities.
- System oriented technology driven strategies to improve productivity and bring transparency as a part of good governance

### **Enterprise risk management (ERM)**

EdCIL being a consulting organization has several risks that are to be addressed in conducting its business operations. To identify the risk areas the job was assigned to a third party agency to study and formulate a Risk Management Policy for the Corporation. The Board has approved the risk management policy in its 133rd meeting held on 16th May 2013. Towards effective implementation, several steps including awareness workshop & training on risk management practices, risk identification procedures were undertaken during the year. Every department prepared a risk management & mitigation plan to be implemented from 2014-15.

Risk management gives comfort to stakeholders that the business is being effectively managed and helps the organisation confirm its compliance with corporate governance requirements.

### **Internal Control Systems**

In any organisation, internal control being an integral process effected by an entity's management and personnel is designed to address risks and to provide reasonable assurance that in pursuit of entity's mission, the general objectives of executing the operations more orderly, ethically, economically, efficiently and effectively is achieved and the resources are safeguarded against loss, misuse and damage.

The company has internal systems and processes in place, which ensures the execution of operation more orderly, ethically, economically, efficiently, and effectively, which is adequate and commensurate with the size of the Company. Integrity pact with vendors, fraud policy & whistle blower policy are being practiced in order to strengthen the systems and ensure transparency in operations. The management reviews the findings and recommendations of the auditors, takes corrective actions wherever necessary, and monitors the implementation of the recommendations.

## **Human Resource Development and Industrial Relations.**

Human Resource Development of EdCIL serves as the backbone of the Corporation. Manpower is by far the asset in organisation and helps in achieving organizational goals and objectives in line with the Corporations Vision and Mission. The HR Department aims to serve the corporation through alignment of HR policies with the organizational goals, professional experts and quality consultation.

### **a) Human Resource Development Plan**

EdCIL has been involved and also plans to formulate ways to attract and retain talent, formulation of training delivery methods, the road map towards achieving organizational culture and values, the strategy for ensuring performance evaluation, discipline, conflict resolution, periodical audits of HR Policies and programs, assessment of HR budgetary needs, various systems of HR enhancement, etc are a part of activities being planned under Human Resource Development.

### **b) HR Policies**

EdCIL's HR Policies, rules and regulations including employees benefits perquisites etc have been reviewed & effective steps taken from time to time.

### **c) Training Need Analysis Training Institute.**

EdCIL is actively involved in capacity building, providing necessary training and conducting development programmes to imbibe the necessary skills required to operate at national and international level. These developmental plans are mainly designed in the area of management and technical competency development in the areas of consultancy. Some of the areas identified for training are:-

- (i) Project Management
- (ii) Project Risk Management
- (iii) Tendering Procedures
- (iv) Team Building
- (v) Presentation and Communication Skills
- (vi) ISO Awareness
- (vii) Computer Knowledge Especially for Group D Staff
- (viii) Corporate Etiquettes.



**Annexure V**

## COMPLIANCE CERTIFICATE

**To,**

**The members**

**Edcil (India) Limited**

**(A Government of India enterprise)**

**CIN: U74899DL1981GO1011882**

**Authorised Capital: Rs. 20,000,000/-**

**Paid up Capital : Rs. 20,000,000/-**

We have examined the registers, records, books and papers of M/s EdCIL (India) Limited as required to be maintained under the Companies Act, 1956, and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended as on 31<sup>st</sup> March, 2014. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. As per information & explanations provided to us the Company has kept and maintained the register as stated below, as per the provisions and the rules made there under and all entries therein have been duly recorded.

S.No	Registers maintained by the Company	U/s
1.	Register of Members	150
2.	Register of Directors, Managing Directors, Managers and Secretary	303
3.	Minutes Book of Board, Committees and General Meetings	193
4.	Books of Accounts	209
5.	Register of Particulars of Contracts in which Directors are Interested	301
6.	Register of Share Transfer	
7.	Registers and Returns	163
8.	Register of Fixed Assets	
9.	Register of Attendance of Board Meeting & General Meeting	
10.	Register of Common Seal	

2. As per information & explanations provided to us, the Company has filed the forms and returns as stated below, with the Registrar of Companies, Regional Director, Central Government, and Company Law Board of other authorities prescribed under the Act and the rules made there under during the financial year ended on 31<sup>st</sup> March, 2014.

## Forms / Returns filed by the Company during the Financial year

S. No	Form No.	Authority with whom forms & returns filed	Filed u/s	Remarks	
1.	Form 66	ROC	383A	<b>Annual General Meeting</b> Filing Date SRN	: 30.09.2013 : 28.10.2013 : Q18298109
2.	Form 20B	ROC	159	<b>Annual General Meeting</b> Filing Date SRN	: 30.09.2013 : 25.11.2013 : Q24820730
3.	Form 23AC & 23ACA	ROC	220	<b>Financial Year</b> Filing Date SRN	: 31.03.2013 : 30.10.2013 : Q21193115
<b>Details of Form 32 filed during 2013 - 14</b>					
1.	Form 32*	ROC	303(2)	<b>Date of Change</b> Filing Date SRN	: 05.06.2013 : 21.06.2013 : B77617306
2.	Form 32**	ROC	303(2)	<b>Date of Change</b> Filing Date SRN	: 07.07.2013 : 16.08.2013 : B81920266
3.	Form 32***	ROC	303(2)	<b>Date of Change</b> Filing Date SRN	: 06.08.2013 : 05.09.2013 : B83634360
4.	Form 32****	ROC	303(2)	<b>Date of Change</b> Filing Date SRN	: 19.08.2013 : 25.09.2013 : B85300309
5.	Form 32*****	ROC	303(2)	<b>Date of Change</b> Filing Date SRN	: 10.09.2013 : 01.11.2013 : B88241443
6.	Form 32*****	ROC	303(2)	<b>Date of Change</b> Filing Date SRN	: 13.09.2013 : 11.10.2013 : B86609096
7.	Form 32*****	ROC	303(2)	<b>Date of Change</b> Filing Date SRN	: 01.11.2013 : 13.11.2013 : B89030498
8.	Form 32*****	ROC	303(2)	<b>Date of Change</b> Filing Date SRN	: 07.11.2013 : 19.11.2013 : B89410641
9.	Form 32*****	ROC	303(2)	<b>Date of Change</b> Filing Date SRN	: 08.11.2013 : 19.11.2013 : B89410641
10.	Form 32*****	ROC	303(2)	<b>Date of Change</b> Filing Date SRN	: 27.12.2013 : 15.01.2014 : B93737724

\* Form 32 for appointment of Ms. Kheya Bhattacharya as Nominee Director w.e.f 05.06.2013.

\*\* Form 32 for cessation of Ms. Kheya Bhattacharya as Nominee Director w.e.f 07.07.2013.

\*\*\* Form 32 for appointment of Ms. Neeta Bhushan as Nominee Director w.e.f 06.08.2013.

\*\*\*\* Form 32 for appointment of Ms. Lata Vaidyanatham as Nominee Director w.e.f 19.08.2013.

\*\*\*\*\* Form 32 for appointment of Mr. Anil Kumar Gupta as Nominee Director w.e.f 10.09.2013.

\*\*\*\*\* Form 32 for appointment of Ms. Anju Biyani as ACS w.e.f 13.09.2013.

\*\*\*\*\* Form 32 for cessation of Mr. Anil Kumar Gupta as Nominee Director w.e.f 01.11.2013.  
 \*\*\*\*\* Form 32 for appointment of Mr. Anil Kumar Gupta as Independent Director w.e.f 07.11.2013.  
 \*\*\*\*\* Form 32 for cessation of Mr. Surendra Prasad as Nominee Director w.e.f 08.11.2013.  
 \*\*\*\*\* Form 32 for cessation of Ms. Anju Biyani as ACS w.e.f 27.12.2013.

**Details of other E-Forms filed during 2013 – 2014**

S. No	Form No.	Authority with whom forms & returns filed	Filed u/s	Remarks
1.	Form 23	ROC	192	Filing Date : 05.06.2013

3. The company being a Government of India Enterprise has paid-up capital of Rs. 20,000,000/- and its number of members as on 31<sup>st</sup> March, 2014 as per information & explanations provided to us was SIX. The detail of shareholders is given below:

S.No	Particulars of Shareholders	No. of Shares
1.	The President of India (Sh. R C Meena, Economic Adviser, C/o secretary to the Government of India, Ministry of HRD, Department of Higher Education)	199985
2.	Sh. Ashok Thakur (Education Secretary, Ministry of HRD, Department of Higher Education)	3
3.	Sh. Yogendra Tripathi (JS & Financial Adviser, Ministry of HRD, Department of Higher Education)	3
4.	Shri R P Sisodia (Joint Secretary, Ministry of HRD, Department of Higher Education)	3
5.	Smt. Tripti Gurha (Director (TC, Ministry of HRD, Department of Higher Education)	3
6.	SMT. Amita Sharma (Additional Secretary, Ministry of HRD, Department of Higher Education)	3
7.	<b>Total</b>	<b>2,00,000</b>

4. As per information & explanations provided to us the Board of Directors duly met SEVEN times on the date mentioned below in the table, in respect of those meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.

**Dates of meetings of Board of Directors**

Meeting No.	Dates on which meeting held	Remarks
133 <sup>rd</sup>	16.05.2013	Meeting held at EdCIL House, Plot - 18 A, Noida, Proper notices given & proceedings were properly recorded.
134 <sup>th</sup>	07.08.2013	Meeting held at EdCIL House, Plot - 18 A, Noida, Proper notices given & proceedings were properly recorded.
135 <sup>th</sup>	19.08.2013	Meeting held at Room No 112C, Conference Room, Shastri Bhavan, New Delhi, Proper notices given & proceedings were properly recorded.
136 <sup>th</sup>	29.08.2013	Meeting held at India Habitat Centre, Lodhi Road, New Delhi, Proper notices given & proceedings were properly recorded.
137 <sup>th</sup>	07.11.2013	Meeting held at Kadamba Hall, India Habitat centre, Lodhi Road, New Delhi, Proper notices given & proceedings were properly recorded.
138 <sup>th</sup>	13.12.2013	Meeting held Room No. 3 (0195), C Wing, Jawaharlal Nehru Bhavan, Janpath, New Delhi, proper notices given & proceedings were recorded.
139 <sup>th</sup>	07.03.2014	Meeting held at India Habitat centre, Lodhi Road, New Delhi, Proper notices given & proceedings were properly recorded.

5. The Company was not required to close its Register on Members during the financial year.
6. As per information & explanation provided to us, the Annual General Meeting for the financial year ended on 31.03.2013 was held on 30.09.2013 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. Extraordinary General Meeting was held on 21.05.2013 at Ministry of HRD, Deptt of Higher Education, Shastri Bhavan, New Delhi.
8. As per information and explanation given, the company has not advanced any loans to its Directors or persons or firms or Companies referred under section 295 of the Act during the Year.
9. As per information & explanation provided to us the Company, being a Government Company, has been exempted from the purview of Section 297 of the Act vide exemption notification no.GSR No. 233 Dated 31.01.1978.
10. As per information & explanations provided to us the Company was not required to make any entries in the register maintained under section 301 of the Act. As the company has been exempted from the purview of Section 297 of the Act vide exemption notification No. GSR No. 233 Dated 31.01.1978.
11. As per information & explanations provided to us there are no instances falling within the purview of Section 314 of the Act.
12. As per information & explanation provided to us the Company has not issued any duplicate share certificates during the financial year.
13. As per information & explanation provided to us:

- i. There was no transfer / transmission of shares.
- ii. The company has declared and paid the following amount of dividend during the financial year:

S.No.	Particulars	Amount of Dividend Declared	Date of Declaration of Dividend	Date of payment of Dividend
1	Final Dividend	Rs. 20,000,000/-	30.09.2013 (AGM)	09.10.2013

The Company is wholly owned by Government of India and is maintaining a separate Bank Account for payment of dividend and the Company was not required to post warrants to any member of the company as dividend was credited to Government of India account.

- iii. There are no amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years;
- iv. The company has duly complied with requirements of section 217 of the Act.
14. The Board of Directors of the company is duly re-constituted and the appointment of directors have been duly made.



**Details of Board of Directors during 2013 – 14**

S. NO.	NAME OF THE DIRECTOR	DIN	DATE OF APPOINTMENT	DATE OF CESSATION	AUTHORITY BY WHOM APPOINTED	UNDER SECTION
1.	Ms. Anju Banerjee	00397755	30.11.2005	-	Government of India	617
2.	Mr. Surendra Prasad	03622345	08.11.2010	08.11.2013	Government of India	617
3.	Mr. Anil Kumar Gupta	01317465	10.09.2013	01.11.2013	Government of India	617
4.	Mr. Anil Kumar Gupta	01317465	07.11.2013	-	Government of India	617
5.	Ms. Amita Sharma	06378912	03.08.2012	-	Government of India	617
6.	Ms. Neeta Bhushan	06681522	06.08.2013	-	Government of India	617
7.	Ms. Lata Vaidyanahan	06699512	19.08.2013	-	Government of India	617
8.	Ms. Kheya Bhattacharya	06612776	05.06.2013	17.07.2013	Government of India	617

15. The company has not appointed any Managing Director / Whole time Director / Manager during the financial year.
16. As per information & explanations provided to us, the Company has not appointed any sole-selling agents during the financial year.
17. As per information & explanations provided to us, the Company was not required to obtain any approval from the Central Government or such other authorities prescribed under the various provisions of the Companies Act during the financial year.
18. The directors have disclosed their interest in other firms / Companies to the Board of Directors pursuant to the provisions of the act and the rules made there under.
19. As per information & explanations provided to us the company has not bought back any shares during the financial year.
20. As per information & explanations provided to us the company does not have preference shares or debentures.
21. As per information & explanations provide to us there was no transaction necessitating the company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
22. As per information & explanations provide to us the company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
23. The Company has not made any borrowing during the financial year ended 31<sup>st</sup> March, 2014.
24. As per information & explanations provided to us the company has not made loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.

25. The company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
26. The Company has altered the provisions of the Memorandum with respect to the Clause III (A) of object clause of the Company, by inserting new sub clause no. 18, during the year under review.
27. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
29. The company has not altered the provisions of its Articles of Association during the year under scrutiny.
30. As per information & explanations provided to us there was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for the offense under the Act.
31. As per information & explanations provided to us the Company has not received any money as security from its employees during the financial year.
32. As per information & explanations provided to us the company has deducted contribution towards Provident Fund and has deposited both employees and employer's contribution with the prescribed authorities pursuant to Section 418 of the Companies Act, 1956.

Place : New Delhi  
Date : 30.06.2014

Signature : Sd/-  
Name of the Company Secretary : Praveen Rastogi  
C.P. No. : 2883

For Parveen Rastogi & Co.  
Company Secretaries

## EdCIL (INDIA) Limited

### Balance Sheet as at 31st March, 2014

(Rs in Thousand)

Particulars	Note	Figures as at the end of Current reporting period 31.3.2014	Figures as at the end of previous reporting period 31.3.2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	20,000.00	20,000.00
(b) Reserves and Surplus	2	2,77,660.67	2,16,409.51
(c) Money received against share warrants			
<b>(2) Share application money pending allotment</b>			
<b>(3) Non-Current Liabilities</b>			
(a) Long-term borrowings			
(b) Deferred tax liabilities (Net)			
(c) Other Long term liabilities	3	10,561.20	25,040.22
(d) Long term provisions	4	14,798.41	0.00
<b>(4) Current Liabilities</b>			
(a) Short-term borrowings			
(b) Trade payables	5	59,359.55	86,755.07
(c) Other current liabilities	6	5,77,756.86	6,83,035.89
(d) Short-term provisions	7	1,57,062.34	2,07,411.93
<b>Total</b>		<b>11,17,199.03</b>	<b>12,38,652.62</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets	8		
(i) Tangible assets		51,877.85	51,581.02
(ii) Intangible assets		1,187.50	1,330.00
(iii) Capital work-in-progress		140.45	0.00
(iv) Intangible assets under development			
(b) Non-current investments			
(c) Deferred tax assets (net)	9	11,356.35	9,012.36
(d) Long term loans and advances	10	15,712.95	16,341.82
(e) Other non-current assets			
<b>(2) Current assets</b>			
(a) Current investments			
(b) Inventories	11	15,978.53	2377.19
(c) Trade receivables	12	59,015.52	2,44,702.38
(d) Cash and cash equivalents	13	6,22,605.58	6,71,096.27
(e) Short-term loans and advances	14	3,39,324.32	2,42,211.58
(f) Other current assets			
<b>Total</b>		<b>11,17,199.03</b>	<b>12,38,652.62</b>

Significant Accounting Policies & Notes from 1 to 23 Accounts forming an integral part of Balance Sheet

Sd/-  
**P. Jayanthi**  
GM (Finance)

Sd/-  
**Mrs. Anju Banerjee**  
Chairperson & Managing Director

Sd/-  
**Mrs. Amita Sharma**  
Director

As per our report of even date  
For G R GARG & CO.  
CA. Gaurav Garg  
Partner  
Membership No. : 097327  
FRN: 000214N  
Place: New Delhi  
Date: 25.08.2014

## EdCIL (INDIA) Limited

### Profit and Loss statement for the year ended 31st March, 2014

(Rs in Thousand)

Particulars	Note No	Figures as at the end of Current reporting period 31.3.2014	Figures as at the end of previous reporting period 31.3.2013
I. Revenue from operations	15	7,09,974.63	6,08,494.39
II. Other Income	16	49,071.44	32,421.20
<b>III. Total Revenue (I +II)</b>		<b>7,59,046.07</b>	<b>6,40,915.59</b>
<b>IV. Expenses:</b>			
Project Expenditure	17	4,77,040.42	4,21,431.01
Purchase of Stock-in-Trade (Software/Hardware)		7,951.48	700.00
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	18	(13,601.33)	8,331.64
Employee benefit expenses	19	1,10,981.69	95,685.04
Financial costs		-	-
Depreciation and amortization expenses	20	3,908.09	4,107.62
Other expenses	21	31,878.90	34,075.76
<b>Total Expenses</b>		<b>6,18,159.26</b>	<b>5,64,331.07</b>
V. Profit before exceptional and extraordinary items and tax	(III - IV)	1,40,886.81	76,584.52
VI. Exceptional Items (Prior Period Adjustment)	22	341.72	(4,978.51)
VII. Profit before extraordinary items and tax (V - VI)		<b>1,40,545.09</b>	<b>81,563.03</b>
VIII. Extraordinary Items			
<b>IX. Profit before tax (VII - VIII)</b>		<b>1,40,545.09</b>	<b>81,563.03</b>
X. Tax expense:			
(1) Current tax		54,882.24	29,538.85
(2) Deferred tax		(2,343.98)	(558.86)
(3) Provision for Earlier Years		698.88	-
XI. Profit/(Loss) from the period from continuing operations	(IX-X)	<b>87,307.95</b>	<b>52,583.04</b>
XII. Profit/(Loss) from discontinuing operations			
XIII. Tax expense of discounting operations			
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)			
<b>XV. Profit/(Loss) for the period (XI + XIV)</b>		<b>87,307.95</b>	<b>52,583.04</b>
XVI. Earning per equity share:			
(1) Basic		<b>437</b>	<b>263</b>
(2) Diluted			

Notes referred to above attach there to form an integral part of Profit &amp; Loss Account

Sd/-  
P. Jayanthi  
GM (Finance)

Sd/-  
Mrs. Anju Banerjee  
Chairperson & Managing Director

Sd/-  
Mrs. Amita Sharma  
Director

As per our report of even date  
For G R GARG & CO.  
CA. Gaurav Garg  
Partner  
Membership No. :097327  
FRN: 000214N  
Place: New Delhi  
Date: 25.08.2014



## EdCIL (INDIA) Limited

### Cash Flow Statement for the year ended 31st March, 2014

(Rs in Thousand)

Particulars	2013-14	2012-13
Net Profit before Tax and Extra Ordinary Items	1,40,545.09	81,563.03
<b>Add:- Adjustment for :-</b>		
Depreciation	3,908.09	4,107.62
Loss/Profit on sale of Assets (Net)	528.44	-
Bad Debts and Provision for Doubtful Debts	2,461.79	8,991.02
Provision for Doubtful Debts Written Back	(186.72)	(1,251.80)
Provision for Gratuity	2,417.19	-
Gratuity Adjustment of Earlier Years (Prior Period Income)	(1,389.34)	-
Provision for Leave Salary	2,654.83	3,689.96
Advances Written Off	135.02	21.23
Unclaimed Balances Written Off	-	(3,726.72)
TDS Disallowed	1,443.41	-
Interest Income	(38,517.76)	(26,268.53)
CSR Utilised	(1,577.49)	(962.33)
Staff Welfare Fund Utilised	(831.80)	(233.09)
R & D Fund Utilised	(248.50)	(122.45)
Sustainable Development Fund Utilised	-	(122.45)
Depreciation Written Back	(29.89)	-
<b>Less:- Paid during the Year :-</b>		
Leave Encashment	(2,562.62)	(2,682.32)
Gratuity	(445.71)	-
<b>Operating Profit before working capital changes (i)</b>	<b>1,08,749.73</b>	<b>63,003.19</b>
Increase/Decrease in Current Assets	19,158.39	(1,47,200.15)
Increase/Decrease in Liabilities	(1,44,534.11)	4,07,485.06
<b>Cash generated from Operations (ii)</b>	<b>(16,625.99)</b>	<b>3,23,288.10</b>
Income Tax Paid	(25,003.59)	(25,554.98)
Dividend Tax Paid	(5,677.07)	-
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>	<b>(47,306.64)</b>	<b>2,97,733.12</b>
Cash flow from investing activities		
Purchase of Fixed Assets	(4,691.15)	(1,856.61)
Sale of Fixed Assets	130.19	-
Interest received	38,517.76	26,268.53
Capital Work In Progress	(140.45)	-
<b>NET CASH FROM INVESTING ACTIVITIES (B)</b>	<b>33,816.35</b>	<b>24,411.92</b>
Cash flow from financing activities		
Dividend Paid	(35,000.40)	-
<b>NET CASH USED IN FINANCING ACTIVITIES (C)</b>	<b>(35,000.40)</b>	<b>-</b>
<b>NET INCREASE IN CASH &amp; CASH EQUIVALENT (A+B+C)</b>	<b>(48,490.69)</b>	<b>3,22,145.03</b>
<b>CASH AND CASH EQUIVALENT (OPENING)</b>	<b>6,71,096.26</b>	<b>3,48,951.23</b>
<b>CASH AND CASH EQUIVALENT (CLOSING)</b>	<b>6,22,605.58</b>	<b>6,71,096.26</b>

Note: The Cash Flow Statement has been prepared in accordance with indirect method.

Sd/-  
**P. Jayanthi**  
 GM (Finance)  
 As per our report of even date  
 For G R GARG & CO.  
 CA. Gaurav Garg (Partner)  
 Membership No.: 097327, FRN: 000214N  
 Place: New Delhi  
 Date: 25.08.2014

Sd/-  
**Mrs. Anju Banerjee**  
 Chairperson & Managing Director

Sd/-  
**Mrs. Amita Sharma**  
 Director

# STATEMENT OF ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

## Significant Accounting Policies

### 1. ACCOUNTING CONCEPT

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The Company generally follows Mercantile System of accounting and recognizes significant items of income and expenditure on accrual basis.

### 2. REVENUE RECOGNITION

#### A. Technical Assistance & other Projects except Institutional Development, Procurement and Placement Projects

Income and Expenditure on incomplete Technical Assistance, Secondment and Testing projects are computed on the basis of stage completion method as evaluated by the Management within the framework of the Agreement with the Client. In the case of other projects awarded on cost plus basis income is booked on the basis of direct expenditure incurred upto the close of the financial year by adding Company's margin on direct expenditure. In respect of those projects where consultancy fee is paid by the Client in terms of Agreement, Income is recognized to the extent of consultancy fee accrued during the year. In respect of the projects where no stage has been achieved, the direct expenditure incurred during the year is booked under Work-in-Progress.

#### B. Institutional Development Projects

- (i) Institutional Development Projects awarded on Cost plus basis:
  - a) The income is booked on 'cost plus' basis within the framework of agreement with the client by adding company's margin on the total direct expenditure incurred during the year on these projects and also based on work certified upto the close of financial year.
  - b) The income in respect of those projects where the payments to contractors are made directly by the client is booked to the extent of fees due and billable to client within the framework of agreement with the client.
  - c) No provision for unforeseeable factors is made for these projects, as the same is to be borne either by the Contractor or by the Client in terms of Agreement.
- (ii) Institutional Development Projects awarded on lump-sum basis.
  - a) The income is booked based on "Percentage of Completion Method" for the work done by sub-contractors & certified by the Architect by adding the following percentage of estimated profit to work certified:

Extent of work certified	Percentage of Estimated Profit accounted for based on work certified
a) Upto 20%	NIL
b) Above 20%	80%
c) On completion	100%

- b) Where billing stage as per the Agreement is not achieved, the difference between work certified (including estimated profit) and the billed amount is booked under 'Work-in-progress' (including estimated profit).
- c) Where loss is anticipated provision for entire loss is made.

- d) Liquidated damages arising from contractual obligations in respect of contracts under dispute/ negotiation and not considered payable/receivable are not accounted for till final settlement.

### C. Procurement projects

- (i) Where service charges have been agreed on lump-sum basis income is recognized on the basis of bills raised/due to be raised in respect of the different stages of work completed as per agreement with the client.
- (ii) Where a fixed percentage on the cost of equipment to be supplied/installed has been agreed as service charges, income is recognized on the basis of service charges due as per different stages of delivery/installation etc. agreed with the client. Where no such stages are defined in the agreement with client income is recognized on the basis of service charges due on the amount paid/due for payment to supplier as per the different stages of delivery/installation etc. as per agreement.
- (iii) Work done but not billable in respect of incomplete stages are recognized on the basis of Technical Certificate from the concerned Head of Department.

### D. Placement Projects

Income on Placement Projects is recognized on EdCIL Service Charges payable by clients / students on Institutional Fee on academic year basis and EdCIL Service Charges on Student Cost on financial year basis.

### E. Sales

- (i) Revenue in respect of Sales is recognized when the property in the goods with significant risk and rewards of ownership are transferred to the buyer.
- (ii) The revenue recognition is done where there is reasonable certainty of collection. On the other hand, revenue recognition is postponed in case of Uncertainty as assessed by management.

## 3. FIXED ASSETS

All the fixed assets are stated at historical cost less accumulated depreciation.

## 4. DEPRECIATION

- 4.1 Depreciation is provided on the 'Straight Line Method' at the rates specified in Schedule XIV of the Companies Act, 1956 except on Carpets and Venetian blinds. In respect of Carpets and Venetian blinds, the useable life is assessed as Five Years by the Management and the depreciation is charged @ 20% per annum. 100 per cent depreciation is provided for on the assets which remain in Company's custody and whose actual cost does not exceed Rs. 5,000/- in compliance with the Notification No. 756 (e) dated 16<sup>th</sup> December 1993 issued by the Department of Company Affairs. However, if the fixed assets costing upto Rs. 5,000/- are purchased in block, normal depreciation is provided. Capital items, which remain in individual custody and costing Rs. 5,000/- or less are treated Revenue items and charged in "Repair and Maintenance-Equipment" or "Repair and Maintenance-Premises" as the case may be.

The cost of land is amortized over the total lease period of 90 years.

- 4.2 ERP Package has been developed and implemented in HR & Admin Division, the useful life of which has been ascertained by the management to be of 10 years and accordingly, the cost will be amortized over the period of 10 years.

## 5. INVESTMENT

Investments are valued at market price or cost price whichever is less. However, where the market prices of the investments are not ascertainable, these are shown at cost.

## 6. FOREIGN CURRENCY TRANSACTIONS

Income and expenditure on foreign projects for which the consideration is agreed in foreign currency and realized before the close of financial year, are translated at the actual rate of foreign exchange received and at the closing rate for which foreign currency dues could not be realized by the close of the year.

Exchange Earner Foreign Currency (EEFC) Account is maintained at the standard rate being closing rate of previous financial year. The internal utilization from the account is accounted for at standard rate. Other expenditure are met out of this account is translated at the actual rate whenever the transaction takes place. The balance at the close of the year is translated at the closing rate.

TT buying rate for outstanding foreign currency transactions has been applied by translating the dues at the following exchange rate on the date of close of the financial year:

a) 1 US\$	= Rs. 59.67
b) 1 Stg. Pound	= Rs. 98.80
c) 1 Euro	= Rs. 81.73

## 7. LEAVE TRAVEL CONCESSION

The provision for expenses on Leave Travel Concession is made on the basis of eligibility of the employees.

## 8. EMPLOYEE BENEFITS

### (A) Leave Salary

**Old Accounting Policy** – Until F.Y 2012-13 the Accounting Policy provision for Gratuity and Leave Salary and as shown in the Annual Report of the Company was as follows:

**Leave Salary** – The provision for encashable leave in subsequent years / or on retirement is made on the basis of accrued earned leave and encashable portion of Half Pay leave accumulated by the employees upto the close of the financial year. The Company has not adopted the policy of actuarial valuation for the same.

**New Accounting Policy** – Provision for Leave Salary for both encashable and non encashable Earned Leave and encashable Half Pay leave is accounted for based on Actuarial Valuation made by Actuary on the basis of the leave accumulated by the employee's upto the close of the financial year.

The actuarial gains/ losses determined on such actuarial valuation are charged to Profit and Loss account as income or expense.

### (B) Gratuity

**Old Accounting Policy** – The Company has subscribed to the Group Gratuity Cash Accumulation Policy with the LIC of India. The premium is paid on the basis actuarial valuation done by LIC. Accordingly, the premium charged by LIC during the year is considered as "Company's Contribution to Gratuity". The Company has not certified its valuation of Gratuity from an actuary and the Company has not adopted any policy for provision for Gratuity for Contractual Employees.

**New Accounting Policy** – Provision for Gratuity is based on actuarial valuation made by actuary and the actuarial gains/ losses determined on such actuarial valuation are charged to Profit and Loss account as income or expense.

Liability with regard to Gratuity Plan is determined by actuarial valuation using Projected Unit Credit method. The company has subscribed to Group Gratuity Cash Accumulation Policy with LIC of India. The premium is paid on the basis of actuarial valuation done by LIC of India. The Company recognizes the NET obligation of the Gratuity Plan in the Balance Sheet as Asset/Liability respectively

in accordance with **AS-15- "Employee Benefits"**.

**Due to change in accounting policy the impact in Financial Statement of Current Year is as under:**

- (a) **Provision for Leave Salary** – The change in policy has resulted in increase in profit by Rs. 47.90 lacs and corresponding decrease in liability by same amount.
- (b) **Provision for Gratuity** – The Company has regularized the relevant entries by recognition present value of obligation of Gratuity payable and Fair Value of Plan Assets as at 01.04.2013 and as at 31.03.2014. Since the details of Interest Cost, Service Cost, Return on Plan Asset and Actuarial Gain / Loss as at 01.04.2013 were not available, the Company has accounted for on net basis in books of accounts. This change in policy has resulted in increase in net expenditure by Rs. 5.72 lacs, increase in Prior Period Income by Rs. 13.89 lacs and, net decrease in liability by Rs.8.17 lacs.

## **9. PROVISION FOR CURRENT AND DEFERRED TAX**

- a) Current tax is the amount of tax payable on the estimated taxable income for the current year as per the provisions of Income Tax Act, 1961.
- b) Deferred tax assets / liabilities is provided on significant timing differences arising from the different treatments in accounting and taxation of relevant item. Deferred tax assets/liabilities shall be reviewed as at each Balance Sheet date, based on development during the year, to reassess realization / liabilities.

- 10.** PF Trust has informed the management that the Trust is pursuing vigorously with CPFC for continuation of PF relaxation and is confident in the matter. On this basis the Company is regularly making contribution to the PF Trust. PF Trust has also informed that PF Returns are being regularly filed as per the stipulation of CPFC.

## **11. CONTINGENT LIABILITIES**

These are disclosed by way of notes on the Balance Sheet. Provision is made in the accounts in respect of those contingencies which are likely to materialize into liabilities after the year end till the finalization of accounts and have material effect on the position stated in the Balance Sheet.

## **12. CASH AND CASH EQUIVALENT**

For the purpose of Cash Flow Statement cash and cash equivalent comprises of cash in hand, cash at bank and fixed deposit. Cash Flow Statement has been prepared by using Indirect Method.

## **13. PROVISIONING FOR BAD & DOUBTFUL DEBTS**

EdCIL has Provisioning Policy for Bad & Doubtful Debts, which stipulates 100% provisioning of Trade Receivables greater than 5 years



## NOTES ON ACCOUNTS

### Note : 1 Share Capital

(Rs. in Thousand)

Sr. No	Particulars	As at 31.3.2014	As at 31.3.2013
<b>1</b>	<b>AUTHORIZED CAPITAL</b>		
	2,00,000 Equity Shares of Rs. 100/- each.	20,000.00	20,000.00
		<b>20,000.00</b>	<b>20,000.00</b>
<b>2</b>	<b>ISSUED , SUBSCRIBED &amp; PAID UP CAPITAL</b>		
	2,00,000 Equity Shares of Rs. 100/- each, Fully paid up.	20,000.00	20,000.00
	Out of the Paid up Capital, 49,996 Equity Shares & 25004 Equity Shares of Rs. 100/-each have been issued as Bonus Shares in the F.Y. 2012-13 and 2008-09 respectively.		
	<b>Total</b>	<b>20,000.00</b>	<b>20,000.00</b>

#### 1.1 The reconciliation of the number of shares outstanding is set out below :

	Particulars	As at 31st March, 14 No. of Shares	As at 31st March,13 No. of Shares
	Equity Shares at the beginning of the year	2,00,000	1,50,004
	Add : Bonus Shares issued during the year	-	49,996
	<b>Equity Shares at the end of the year</b>	<b>2,00,000</b>	<b>2,00,000</b>

#### 1.2 List of Share holder holding more than 5 % share

	Name of Shareholder	As at 31 March 2014		As at 31 March 2013	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
	President of India	200000	100	200000	100
	The Entire Share Capital of the Company is held by Government of India.				

#### 1.3 Detail of share allotted otherwise than in Cash (Last 5 year)

Particulars	Year (Aggregate No. of Shares)					
	Total	2013-14	2012-13	2011-12	2010-11	2009-10
<b>Equity Shares :</b>						
Fully paid up pursuant to contract(s) without payment being received in cash	0	0	0	0	0	0
Fully paid up by way of bonus shares	49996	0	49996	0	0	0
Shares bought back	0	0	0	0	0	0
	<b>49996</b>	<b>0</b>	<b>49996</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Note : 2 Reserve & Surplus**
**(Rs. in Thousand)**

Sr. No	Particulars	Figure for the Current Reporting Period 2013-14	Figure for the Previous Reporting Period 2012-13
1	Capital Reserve	-	-
2	Capital Redemption Reserve	-	-
3	Securities Premium reserve	-	-
4	Debenture Redemption Reserve	-	-
5	Revaluation Reserve	-	-
6	Shares Option Outstanding Account	-	-
7	<b>General Reserve</b>		
	Opening Balance	1,27,283.22	1,27,024.51
	Addition During the Year	8,730.80	5,258.30
	Less : Utilize during the Year (Issue of Bonus Share)	-	(4,999.60)
	Closing Balance	136,014.01	127,283.22
8	<b>Surplus (Profit &amp; Loss Account)</b>		
	Opening Balance	86,884.73	64,309.39
	Addition During the Year	87,307.95	52,583.04
	Less : Utilize during the Year		
	Transfer to General Reserve	(8,730.80)	(5,258.30)
	Transfer to Staff welfare fund	(873.08)	(525.83)
	Proposed Dividend	(20,000.00)	(20,000.00)
	Dividend Distribution Tax	(3,399.00)	(3,244.00)
	Transfer to CSR Fund	(1,577.49)	(734.67)
	Transfer to R & D Fund	(262.92)	(122.45)
	Transfer to Sustainable Development Fund	-	(122.45)
	Closing Balance	139,349.40	86,884.73
9	<b>Staff welfare Fund</b>		
	Opening Balance	2,241.56	1,948.82
	Addition During the Year	873.08	525.83
	Less: Utilize During the Year	(831.80)	(233.09)
	Closing Balance	2,282.84	2,241.56
10	<b>CSR Fund</b>		
	Opening Balance	-	227.66
	Addition During the Year	1,577.49	734.67
	Less: Utilize During the Year	(1,577.49)	(962.33)
	Closing Balance	-	-
11	<b>R &amp; D Fund</b>		
	Opening Balance	-	122.45

	Addition During the Year	262.92	(122.45)
	Less: Utilize During the Year	(248.50)	-
	Closing Balance	14.42	-
12	<b>Sustainable Development Fund</b>		
	Opening Balance	-	-
	Addition During the Year	-	122.45
	Less: Utilize During the Year	-	(122.45)
	Closing Balance	-	-
	<b>Total</b>	<b>2,77,660.67</b>	<b>2,16,409.51</b>

**Note: 3 Other Long Term Liabilities**

(Rs. in Thousand)

Sr. No	Particulars	Figure for the Current Reporting Period 2013-14	Figure for the Previous Reporting Period 2012-13
1	Security Deposit From Suppliers (Unsecured)	10,561.20	25,040.22
	<b>Total</b>	<b>10,561.20</b>	<b>25,040.22</b>

**Note : 4 Long Term Provisions**

(Rs. in Thousand)

Sr. No	Particulars	Figure for the Current Reporting Period 2013-14	Figure for the Previous Reporting Period 2012-13
1	Present Value of Obligation (Gratuity Liability)	929.37	-
2	Present Value of Obligation (Earned Leave Liability)	13,869.04	-
	<b>Total</b>	<b>14798.41</b>	<b>-</b>

**Note : 5 Trades Payable**

(Rs. in Thousand)

Sr. No	Particulars	Figure for the Current Reporting Period 2013-14	Figure for the Previous Reporting Period 2012-13
1	Trade Payable	59,359.55	86,755.07
	<b>Total</b>	<b>59,359.55</b>	<b>86,755.07</b>

**Note : 6 Other Current Liabilities**

(Rs. in Thousand)			
Sr. No	Particulars	Figure for the Current Reporting Period 2013-14	Figure for the Previous Reporting Period 2012-13
1	Advance Against Projects	4,72,508.98	3,72,402.92
2	Security Deposited From Suppliers	14,766.56	2,859.02
3	Duties & Taxes	6,013.72	11,244.36
4	Other Liabilities	80,670.72	2,92,560.00
5	Non-Trade Payable	3,796.88	3,969.58
	<b>Total</b>	<b>5,77,756.86</b>	<b>6,83,035.89</b>

- 6.1 No classification of outstanding as on 31.03.2014 had been made separately for dues towards entities covered under Micro Small and Medium Enterprises Development, 2006 on account of non furnishing their status as Micro Small & Medium Enterprise. In view of this, there are no dues outstanding which attract the provisions of Section 22 of the Micro Small & Medium Enterprises Development Act, 2006.
- 6.2 An amount of Rs.9.975 crores received from MHRD for capacity building project for NPIU is parked as advance received from HRD ministry in view of MHRD letter asserting that the amount was not an income of EdCIL. Disbursement made out of this advance to various IIMs & IITs towards capacity building activities have also been parked as advance in view of position taken by MHRD. Service tax deposited by the company against advance received for Rs.1.10 crores has been disputed by MHRD as advance was not meant to be income for the company according to them the matter is pending resolution.

## Note : 7 Short Term Provisions

(Rs. in Thousand)

Sr. No	Particulars	Figure for the Current Reporting Period 2013-14	Figure for the Previous Reporting Period 2012-13
1	Income Tax	1,20,604.04	1,42,616.29
2	Fringe Benefit Tax	4,447.42	4,447.41
3	Proposed dividend	20,000.00	35,000.40
4	Tax on Proposed Dividend	3,399.00	5,677.07
5	Present Value of Obligation (Earned Leave Liability)	972.88	13,906.26
6	Provision for salary Including Perks	278.78	297.81
7	Performance related Payment	7,138.91	5,363.05
8	Present Value of Obligation (Gratuity Liability)	98.48	-
9	Leave Travel Concession	122.83	103.64
	<b>Total</b>	<b>1,57,062.34</b>	<b>2,07,411.93</b>

- 7.1 The Company has provided liability for Gratuity in respect of Regular Employees only on the basis of Actuarial Valuation obtained and liability for Contractual Staff has not been ascertained, as EdCIL's Payment of Gratuity Rule was approved by the Board only on 3rd June, 2014.
- 7.2 Amount of Rs.44,51,889/- standing as advance FBT paid reflected in note 15 (2) (iii) has a corresponding liability of Rs.44,47,417/- in note no 7 (2) Adjustment by off-setting is still pending for want of receipt of the assessment order concerned.
- 7.3 **Contingent liabilities are:**
- Service Tax Department has issued Show-Cause Notice for Irregular availment of Cenvat Credit to the tune of Rs. 101.32 Lacs for the F.Ys 2007-08 to 2012-13. The Company has furnished Reply to the Notice and the management does not anticipate any loss/liability on this account.
  - In respect of pending court cases by/against ex-employees amount is indeterminable.
  - Guarantees issued by banks on behalf of Company amounting to total of Rs. 8,12,000/- (Last year Rs. 18,49,335/-) as per detail mentioned below:  
Bank Guarantee in INR 8,12,000/-.
  - M/s. Vinayasa Engineers Pvt. Ltd. Bangalore had filed an arbitration claim against the Company. The Arbitrator passed an award amounting to Rs. 1.77 Crores against the Company during 2008-09. The Company has not accepted this claim and challenged it in the court of Civil Judge, Bangalore. EdCIL is submitting additional written statement explaining the various events which unfolded before M/s. Vinyasa invoked arbitration and other contract stipulations, which were not observed by the Hon'able Arbitrator at the time of arbitration to the Hon'ble Court. The Company has paid Rs. 0.48 Lakhs towards settlement against R.A. Bill of the Contractor in respect of which provision was already existing in the Books of accounts. However for the balance, the Company has not provided for the liability as management is of the opinion that creation of provision at this stage will be too premature and will be detrimental to the proceedings in Court of Law.



- (e) M/s. Visesh Infotecnics Ltd. has filed a Civil suit in the lower court for recovery of outstanding amount of Rs. 4,85,598/- from EdCIL which was awarded in the favour of Visesh Infotecnics Ltd. of Rs. 5,35,679/- inclusive of interest and cost. EdCIL has challenged the award in the Hon'ble High Court Delhi and was directed to deposit decretal amount along with the interest. EdCIL has accordingly deposited Rs. 5,35,679/- which is reflected under Security Deposit.
- (f) M/s. Multiplzone had filed civil suit in the lower court for recovery of Rs. 13.95 lacs in respect of supply of software which payment was not processed by EdCIL due to late supply of software and consequent non acceptance by client. The case was rejected by the lower court as was time barred. M/s. Multiplzone has moved appeal in High Court, Delhi contesting the judgment of lower court. Corresponding to the claim of M/s. Multiplzone, provision of Rs. 7.68 lacs is existing in the books of accounts.
- (g) In respect of Leasehold land of Corporate Office at Noida, lease rental of Rs. 4.50 lakhs per annum is being made since January, 1996 under agreement with Noida Authority which provides that the annual lease may be enhanced on expiry of every 10 years and such enhancement shall not be more than 50% of the amount last fixed. Noida Authority has issued demand note dated 02.06.2014 for revised lease rental of Rs. 6.75 lakhs per annum w.e.f. 04.01.2006 and interest for the period from January, 2006 to January, 2015. As against the demand of Noida Authority for Rs. 20.25 lakhs towards additional lease rental and Rs. 26.10 lakhs towards interest, EdCIL has paid the incremental lease rental and in respect of demand for interest, EdCIL is pursuing with the Authority for waiver.
- (h) Additional liability, if any, in respect of which amount are not ascertainable, may arise due to service tax demand on completion of assessments, non-deduction of Provident Fund / ESI by the contractors.
- (i) TDS in some cases have not been deducted since the provision has been made pending payment with the parties/consultants. In such cases, the TDS is deducted at the time of final settlement/payment made to them.
- (j) Commitments

Particulars	2014	2013
Capital Expenditure (EdCIL Corporate Office Building Extn.)	135.82 Lacs	NIL

## NOTE: 8

### SCHEDULE OF FIXED ASSETS AS AT 31<sup>ST</sup> MARCH, 2014 AS PER COMPANIES ACT, 1956

(Rs. in Thousand)

S.N.	Item of Assets	Rate of Dep.	Gross Block				Depreciation				NET BLOCK	
			1 As on 01.04.2013	2 Additions during the year	3 Deletions during the year	4 Total as on 31.03.2014	5 Upto 1.4.2013	6 Depreciation Written back	7 For the Year	8 On sale/ adj. during the year	9 Total as on 31.03.2014	10 As on 31.3.2013
	(A) TANGIBLE ASSETS											
1	Leasehold Land	90 yrs.	21,262.57	-	-	21,262.57	4,075.33	-	236.25	-	16,950.99	17,187.24
2	Building	1.63%	22,655.58	-	-	22,655.58	5,579.81	-	369.29	-	16,706.48	17,075.77
3	Electrical Equip. & A. C.	4.75%	15,284.16	3,828.03	1,713.45	17,398.73	7,192.87	-	804.81	1,063.41	10,464.46	8,091.29
4	Office Machinery & Equipmt.	4.75%	3,277.76	11.55	162.41	3,126.90	2,016.15	-	135.56	23.95	999.14	1,261.61
5	Reprographic Machine	4.75%	653.63	610.95	-	1,264.58	186.37	-	52.44	-	1,025.78	467.26
6	Furniture & Fixtures	6.33%	11,666.50	277.90	-	11,944.39	9,611.02	-	602.50	-	1,730.88	2,055.48
7	Vehicles	9.50%	1,576.06	-	-	1,576.06	555.68	-	149.63	-	870.76	1,020.38
8	Computer System-Hardware	16.21%	20,492.20	92.61	1,605.08	18,979.73	16,512.31	29.89	1,287.94	1,605.08	2,814.44	3,979.89
9	Fire Fighting	16.21%	1,747.72	-	-	1,747.72	1,512.60	-	43.39	-	191.74	235.13
10	Carpet & Venetian Blinds	20.00%	1,172.41	-	-	1,172.41	965.44	-	83.80	-	123.18	206.98
	<b>TOTAL (A)</b>		<b>99,784.58</b>	<b>4,821.03</b>	<b>3,480.94</b>	<b>101,128.67</b>	<b>48,207.56</b>	<b>29.89</b>	<b>3,765.59</b>	<b>2,692.43</b>	<b>49,250.83</b>	<b>51,581.02</b>
	(B) INTANGIBLE ASSETS											
11	Computer Software(ERP)	10 yrs.	1,425.00	-	-	1,425.00	95.00	-	142.50	-	1,187.50	1,330.00
	<b>TOTAL (B)</b>		<b>1,425.00</b>	<b>-</b>	<b>-</b>	<b>1,425.00</b>	<b>95.00</b>	<b>-</b>	<b>142.50</b>	<b>-</b>	<b>1,187.50</b>	<b>1,330.00</b>
	(C) CAPITAL WIP											
12	Extension Of Building		-	140.45	-	140.45	-	-	-	-	140.45	-
	<b>TOTAL (C)</b>		<b>-</b>	<b>140.45</b>	<b>-</b>	<b>140.45</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>140.45</b>	<b>-</b>
	<b>GRAND TOTAL (A+B+C)</b>		<b>101,213.58</b>	<b>4,961.48</b>	<b>3,480.94</b>	<b>102,694.12</b>	<b>48,302.56</b>	<b>29.89</b>	<b>3,908.09</b>	<b>2,692.43</b>	<b>49,488.33</b>	<b>52,911.02</b>
	Previous year figures		98,501.97	2,711.61	-	101,213.58	44,194.95	-	4,107.62	-	52,911.02	54,307.02

a) Depreciation of Rs. 29890/- excess charged on Computer System in the F.Y.2012-13, has now been rectified and booked under Prior Period Income.

b) Asset of Rs. 1,29,873/- had been wrongly recorded in F.Y.2008-09 under the head of "Office Machinery &amp; Equipments" and has now been rectified by transferring the same in "Electronic, Equipments &amp; AC" head.

c) The management perceives that there has been no indication of impairment to its Fixed Assets and therefore the process of impairment testing has not been done.

## NOTE : 9 Defferred Tax Assets (Net)

(Rs. in Thousand)

Sr. No	Particulars	Figure for the Current Reporting Period 2013-14	Figure for the Previous Reporting Period 2012-13
	<b>A-Deferred Tax Assets:</b>		
	Provision for Leave Salary	330.68	4,785.54
	Provision for Doubtful Debts	4,376.75	3,533.24
	Provision for Project Expenses	7,938.61	7,970.47
	Provision for LTC	41.75	33.63
	Provision for Gratuity	1,812.42	-
	Provision for ESI	1,071.34	-
	Provision for PRP	2,426.51	-
	<b>Sub-Total (A)</b>	<b>17,998.06</b>	<b>16,322.88</b>
	<b>B-Deferred Tax Liabilities:</b>		
	Depreciation	6,641.72	7,310.52
	<b>Sub-Total (B)</b>	<b>6,641.72</b>	<b>7,310.52</b>
	<b>Defferred Tax Assets (Net)</b>	<b>11,356.35</b>	<b>9,012.36</b>

## NOTE : 10 Long Term Loans and Advances

(Rs. in Thousand)

Sr. No	Particulars	Figure for the Current Reporting Period 2013-14	Figure for the Previous Reporting Period 2012-13
I)	<b>Capital Assets</b>		
	a) Secured, Considered Good :		
	b) Unsecured, Considered Good :	-	471.33
	c) Doubtful	3,537.44	3,066.11
	Less : Allowance for doubtful Advances	(3,537.44)	(3,066.11)
II)	<b>Security Deposit</b>		
	a) Secured, Considered Good :		
	b) Unsecured, Considered Good :	12,018.01	12,096.38
	c) Doubtful		
III)	<b>Loans &amp; Advances to related parties</b>		
IV)	<b>Other Loans &amp; Advances</b>		
	a) Secured, Considered Good :		
	(i) Loan to Employee	1,248.62	1,149.26
	b) Unsecured, Considered Good :		
	(i) Advance to Supplier and others	2,446.32	2,624.85
	c) Doubtful	1,409.44	-
	Less : Allowance for doubtful Advances	(1,409.44)	-
	<b>Total</b>	<b>15,712.94</b>	<b>16,341.82</b>

10.1 EdCIL has provisioning Policy for Bad & Doubtful Debts, duly approved by the Board in its 127th meeting dated 05.12.2011, which stipulates for provisioning of Trade Receivables greater than 5 years. As against Trade Receivables greater than 5 years of Rs.79.30 lacs as on 31.03.2014 provision has been made to the extent of Rs79.30 lacs.

**NOTE :11 Inventories**

(Rs. in Thousand)

Sr. No	Particulars	Figure for the Current Reporting Period 2013-14	Figure for the Previous Reporting Period 2012-13
1	Raw Material		
2	Work-in-Progress (As certified by Management)	15,978.53	2,377.19
3	Finished Goods		
4	Stock-in-Trade		
5	Stores & Spares		
6	Loose Tools		
7	Other (Specify the nature)		
8	Goods-in-transit		
	<b>Total</b>	<b>15,978.53</b>	<b>2,377.19</b>

**NOTE : 12 Trade Recievables**

(Rs. in Thousand)

Sr. No	Particulars	Figure for the Current Reporting Period 2013-14	Figure for the Previous Reporting Period 2012-13
1	<b>Current Receiveable less than Six Month</b>		
	a) Secured, Considered Good :		
	b) Unsecured, Considered Good :	49,257.89	2,35,964.60
	c) Doubtful		
2	<b>Current Receivable Other</b>		
	a) Secured, Considered Good :		
	b) Unsecured, Considered Good :	9,757.63	8,737.77
	c) Doubtful	7,929.70	7,823.82
	Less: Allowance for doubtful debts	(7,929.70)	(7,823.82)
	<b>Total</b>	<b>59,015.52</b>	<b>244,702.38</b>

12.1 Balances in Trade Receivables / Payables, Loans & Advances are subject to confirmation/ reconciliation.

## NOTE : 13 Cash & Cash Equivalent

(Rs. in Thousand)

Sr. No	Particulars	Figure for the Current Reporting Period 2013-14	Figure for the Previous Reporting Period 2012-13
1	Cash-in-Hand		
	Cash Balance	304.76	365.01
	Petty Cash Balance		
	<b>Sub Total (A)</b>	<b>304.76</b>	<b>365.01</b>
2	Balance with Scheduled Banks		
	In Current Accounts	2,11,087.77	2,07,894.00
	IN EEFC Account	13,979.24	1,683.30
	In Fixed Deposits (Free)	3,85,068.42	3,64,612.48
	In Fixed Deposits (Lien against Bank Guarantee)	812.00	2,573.87
	Remittance in Transit	-	77,552.94
3	Balance with Non-Scheduled Banks (In Current Accounts)		
	Midland Bank, London (U.K)	9.47	9.47
4	Interest accrued but not due on Fixed Deposits	10,441.99	10,495.76
	<b>Sub Total (B)</b>	<b>6,21,398.89</b>	<b>6,64,821.80</b>
5	<b>Cheques on Hand (C)</b>	<b>901.93</b>	<b>5,909.45</b>
	<b>Total [ A + B + C ]</b>	<b>6,22,605.58</b>	<b>6,71,096.27</b>



**NOTE :14 Short Terms Loans and Advances**

(Rs. in Thousand)

Sr. No	Particulars	Figure for the Current Reporting Period 2013-14	Figure for the Previous Reporting Period 2012-13
<b>1</b>	<b>Loans &amp; Advances from related parties</b>		
	a) Secured, Considered Good :	-	-
	b) Unsecured, Considered Good :	-	-
	c) Doubtful	-	-
	Less : Provision for Doubtful Advances		
<b>2</b>	<b>Others</b>		
	(i) TDS Recoverable	68,137.86	1,11,667.42
	(ii) Advance/Self Assessment Income Tax	41,268.40	74,009.62
	(iii) Advance FBT	4,451.89	4,451.89
	(iv) Income Tax Refund Receivable	24,581.58	-
	(v) Service Tax	31,313.90	-
	(vi) Advance to Supplier and others	1,66,866.05	47,099.42
	(vii) Mobilization & Other Advances	1,553.02	3,245.06
	(viii) Prepaid Expenses	730.93	804.85
	(ix) Loan to Employee		
	a) Secured Considered Good	62.81	270.80
	b) Unsecured Considered Good	357.89	662.52
	<b>Total</b>	<b>3,39,324.32</b>	<b>2,42,211.58</b>

14.1 The short term advances include Rs. 34.73 lacs (P.Y. Rs. 50.76 lacs) paid to contractors for Repair & Renovation work of rented premises at 5th & 6th Floor, Vijaya Building, Barakhambha Road, New Delhi based upon instruction from MHRD. The same will be adjusted in FY 2014-15 based on the approval which has been received from MHRD for the entire amount of advance given.

14.2 Provision has not been made in respect of possible claim amounting to Rs. 40.71 lacs from Civil contractor, "M/s. Kirti Construction" due to the pending finalization of the final bill with the client. As per the Agreement with Client and with Contractor, Management is of the view that the claim of the contractor shall be settled after finalization and approval of bills by the client and also on receipt of corresponding fund thereof. The Management does not anticipate any loss in this account.

**EARNING PER SHARE**

	Particulars	Figure for the Current Reporting Period 2013-14	Figure for the Previous Reporting Period 2012-13
	Net Profit After Tax (in Rs.)	87,307.95	52,583.00
	Weighted average No. of Equity Shares	200,000	200,000
	Nominal Value of Equity Shares	100.00	100.00
	Basic and Diluted Earning Per Share	437	263

## Notes Forming Part of the Profit & Loss Account

### NOTE No.15 Revenue from Operations

(Rs. in Thousand)

Sr. No	Particulars	Figure for the Current Reporting Period 2013-14	Figure for the Previous Reporting Period 2012-13
<b>1.</b>	<b><u>INCOME FROM PROJECTS</u></b>		
<b>(A)</b>	<b>Income from Technical Assistance</b>		
(i)	Educational Aids	1,372.15	1,289.91
(ii)	Income from NI	15,845.37	2,164.72
(iii)	Income from NLMA	44,341.65	53,708.07
(iv)	Income From TEQIP	56,003.41	43,883.95
(v)	Income from SSA Project	1,06,485.43	1,12,837.01
(vi)	Income from GHP/NSIGSE	2,741.27	1,925.89
(vii)	Income from MDM	46,501.86	33,737.23
(viii)	Income from RMSA	47,958.58	37,288.73
(ix)	Income from Monitoring Instt.	18,050.45	50,916.82
(x)	Income from NMEICT	19,838.42	20,253.60
(xi)	Other Projects (Admin & TA Projects)	1,20,049.93	81,248.32
(xii)	Income from Mahila Samakhya	363.02	581.86
(xiii)	Income from SPQEM	113.53	469.88
(xiv)	Income from Teachers Education Project	11,915.58	1,195.74
<b>(B)</b>	<b>Income from Institutional Development</b>	14,219.06	35,692.71
<b>(C)</b>	<b>Income from Human Resource Development</b>		
(i)	Income from Placement	23,654.59	13,878.18
(ii)	Income from Secondment	1,744.30	3,412.27
(iii)	Income from Testing Activities	1,70,347.48	1,12,344.91
<b>2.</b>	<b><u>SALE OF PRODUCTS</u></b>		
(i)	Sale of Software/Hardware	8,428.57	1,664.60
	<b>TOTAL</b>	<b>7,09,974.63</b>	<b>6,08,494.39</b>

- 15.01 Income from placement projects consists primarily of fees accrued at the time of admission of foreign students and annual fee accrued in the beginning of every academic year during the period of the course.
- 15.02 Income indicated in S.No. 1(A) (iii), (iv), (v), (vi), (vii), (viii), (ix), (x), (xi){In case of Admin Project Only}, (xii), (xiii) & (xiv) in the above table are recognised at gross value following cost plus method in accordance with accounting policy to Technical assistance, as the role played by company is not limited to that of an agent, instead is of a principal to principal basis.
- 15.03 The NI Project relating to supply of SAP Licenses, ERP Implementation, Supply of Hardware/ Furniture to Assam Engineering College was awarded by Directorate of Technical Education, Assam on Lump sum basis of Rs. 310 lacs inclusive of all taxes. During the F.Y 2013-14, the Go-live part of software Implementation and Supply of Hardware and Furniture was not executed in entirety. Hence no income has been recognized on part execution. Accordingly the extent to which Payments have been released to Vendors in respect of SAP License for Rs. 62.65 lacs and Rs. 4.45 lacs paid for 1st Stage of ERP Implementation, excluding taxes, has been recognized as Work in Progress in books of accounts.

**NOTE No.16 Other Income**

(Rs in Thousand)

Sr. No	Particulars	Figure for the Current Reporting Period 2013-14	Figure for the Previous Reporting Period 2012-13
1	Interest from Bank Deposits	38,517.76	26,268.53
2	Exchange Variation Gain / (Loss)	4,651.71	1,050.98
3	Other Income	963.04	579.65
4	Rent Office	2,609.24	1,955.55
5	Business Associates Fees	1,068.00	1,602.00
6	Prior Period Income (Net) As per Note No. 16(a)	1,261.69	964.48
	<b>Total</b>	<b>49,071.44</b>	<b>32,421.20</b>

**NOTE No.16 (a) Prior Period Income (Net)**

(Rs in Thousand)

Sr. No	Particulars	Figure for the Current Reporting Period 2013-14	Figure for the Previous Reporting Period 2012-13
1.	Prior Period Income		
	Income from Project	674.58	1,597.47
	Income Admin & Other exp.	2,067.85	-
2.	Prior Period Expenditure		
	Expenses on Admin & Other exp.	1,464.03	145.82
	Expenses on Project	16.72	487.17
	<b>Prior Period Income/Loss (net)</b>	<b>1,261.69</b>	<b>964.48</b>

## NOTE No.17 Project Expenses

(Rs in Thousand)

Sr. No	Particulars	Figure for the Current Reporting Period 2013-14	Figure for the Previous Reporting Period 2012-13
<b>1</b>	<b>Expenditure on Technical Assistance</b>		
<b>(i)</b>	<b>Educational Aids</b>	<b>22.25</b>	<b>3.62</b>
<b>(ii)</b>	<b>Exp. on NI</b>	<b>24,960.17</b>	<b>1,952.90</b>
	a) Online E-Coupon Service Charges	9,030.13	-
	b) Training Exp.	8,616.89	-
	c) Others Misc. Exp.	7,313.15	-
<b>(iii)</b>	<b>Exp. on NLMA</b>	<b>38,934.03</b>	<b>46,343.33</b>
	a) Consultancy Fees	8,583.77	9,555.64
	b) Salary & Allowance	8,043.99	6,942.81
	c) ILD Workshop	2,432.47	14,859.37
	d) Meeting Exp.	3,796.71	4,364.99
	e) Research Studies	4,596.72	-
	f) Travelling & Conveyance Exp.	4,546.66	5,423.07
	g) Others Misc. Exp.	6,933.72	5,197.47
<b>(iv)</b>	<b>Exp. on TEQIP</b>	<b>52,439.08</b>	<b>37,830.99</b>
	a) Consultancy Fees	9,220.57	6,915.61
	b) Revolving Fund	17,625.85	7,243.42
	c) Salaries	11,402.12	9,750.54
	d) Repair & Maintenance Exp.	6,319.43	3,077.05
	e) Software Development Exp.	1,305.21	5,801.61
	f) Non Recurring Exp.	2,209.48	74.90
	f) Others Misc. Exp.	4,356.42	4,967.86
<b>(v)</b>	<b>Exp. on GHP/NSIGSE</b>	<b>2,406.60</b>	<b>1,662.00</b>
<b>(vi)</b>	<b>Exp. on SSA</b>	<b>93,942.59</b>	<b>97,451.06</b>
	a) Salary & Allowance	22,891.30	18,254.39
	b) Consultancy Fees	19,250.67	20,491.36
	c) Travelling & Conveyance Exp.	3,447.00	7,009.79
	d) Workshop, Seminar & Meeting	11,668.63	8,419.50
	e) Research & Studies	19,584.98	20,519.37
	f) Repair & Renovation Exp.	3,387.42	6,761.65
	g) Security Exp.	3,284.82	3,181.77
	h) Printing, Stationery & Photostate Exp.	2,589.53	1,838.83
	i) Others Misc. Exp.	7,838.25	10,974.42
<b>(vii)</b>	<b>Exp. on MDM</b>	<b>40,799.55</b>	<b>29,129.77</b>
	a) Salary & Allowance	8,336.90	7,410.72
	b) Travelling & Conveyance Exp.	4,982.19	4,347.02
	c) Consultancy Fees	7,936.18	6,089.82
	d) Joint Review Mission	11,166.33	-

	e) Workshop, Seminar & Meeting	4,064.17	5,809.70
	f) Other Misc. Exp.	4,313.79	5,472.51
<b>(viii)</b>	<b>EXP. on RMSA</b>	<b>42,113.73</b>	<b>32,165.45</b>
	a) Consultancy Fees	11,947.58	9,408.06
	b) Salary & Allowance	9,495.07	5,349.54
	c) Repair & Maintenance Exp.	523.76	2,694.81
	d) Travelling & Conveyance Exp.	2,543.46	3,069.25
	e) Workshop, Seminar & Meeting	11,025.79	4,879.66
	f) Other Misc. Exp.	6,578.07	6,764.13
<b>(ix)</b>	<b>Exp. on Monitoring Instt.</b>	<b>17,190.90</b>	<b>48,492.21</b>
	a) Fee to Monitoring Institutes	16,875.78	48,302.99
	b) Travelling & Conveyance Exp.	315.12	189.23
<b>(x)</b>	<b>Exp. on NMEICT</b>	<b>18,899.11</b>	<b>19,289.14</b>
	a) Consultancy Fees	7,978.17	7,216.90
	b) Salary & Allowance	4,722.08	4,704.18
	c) Travelling & Conveyance Exp.	2,801.81	3,272.63
	d) Workshop, Seminar & Meeting	1,890.15	3,199.90
	e) Other Misc. Exp.	1,506.91	895.53
<b>(xi)</b>	<b>Other Projects (Admin &amp; TA Projects)</b>	<b>88,817.56</b>	<b>59,390.46</b>
	a) Salary & Allowance	70,553.89	46,383.15
	b) Employee Benefit Exp.	9,270.98	3,690.16
	c) Travelling & Conveyance Exp.	1,137.81	892.37
	d) Consultancy Fees	3,878.21	4,209.50
	e) Other Misc. Exp.	3,976.67	4,215.29
<b>(xii)</b>	<b>Exp. on Mahila Samakhya</b>	<b>318.43</b>	<b>451.86</b>
<b>(xiii)</b>	<b>Exp. on SPQEM-Ito</b>	<b>99.59</b>	<b>390.28</b>
<b>(xiv)</b>	<b>Exp. on Teachers Education Project</b>	<b>10,452.26</b>	<b>1,048.89</b>
	a) Joint Review Mission	5,517.66	32.88
	b) Travelling & Conveyance Exp.	1,945.52	970.95
	c) Other Misc. Exp.	2,989.09	45.06
<b>2</b>	<b>Expenditure on Institutional Development</b>	<b>4,633.06</b>	<b>3,519.07</b>
<b>3</b>	<b>Expenditure on Human Resource Development</b>		
<b>(i)</b>	<b>Placement</b>	<b>3,867.97</b>	<b>1,720.73</b>
<b>(ii)</b>	<b>Secondment</b>	<b>16.39</b>	<b>2,787.48</b>
<b>(iii)</b>	<b>Testing Activities</b>	<b>37,127.14</b>	<b>37,801.76</b>
	a) Centre Management Exp.	11,783.68	12,732.49
	b) Mobile Jammer Exp.	7,120.05	3,751.61
	c) Printing & Stationery	8,031.70	6,627.23
	d) Travelling Exp.	4,919.24	3,571.19
	e) Postage Exp.	573.27	4,972.38
	f) Honorarium Exp.	2,807.90	1,734.47
	g) Others Misc. Exp.	1891.31	4,412.40
	<b>Total</b>	<b>4,77,040.42</b>	<b>4,21,431.01</b>



**17.1 EXPENDITURE IN FOREIGN CURRENCY (Closing Conversion rates considered)**

Sr. No	Particulars	Figure for the Current Reporting Period 2013-14	Figure for the Previous Reporting Period 2012-13
	Expenditure on Placement activity	315,356.00	416,147.00
	Other includes travel expenses, miscellaneous expenses, DA paid in Indian Currency	2,063,956.00	1,695,384.00
	TA (Foreign)	-	1,611,855.00
	<b>Total</b>	<b>2,379,312.00</b>	<b>3,723,386.00</b>

**17.2 INCOME IN FOREIGN CURRENCY (Closing Conversion rates considered)**

Sr. No	Particulars	Figure for the Current Reporting Period 2013-14	Figure for the Previous Reporting Period 2012-13
	From Placement Projects	10,837,028.00	1,582,933.00
	From Secondment Projects	1,710,124.00	563,827.00
	From Technical Assistance Projects	-	3,424,790.00
	<b>Total</b>	<b>12,547,152.00</b>	<b>5,571,550.00</b>

**17.3** Out of Rs. 50.76 Lacs paid to Contractors for Repair & Renovation of Rented Premises at 5th & 6th Floor, Vijaya Building in the F.Y. 2011-12, Rs. 23.81 Lacs has been adjusted in the Current F.Y. and Corresponding Income of Rs.27.02 Lacs has been booked as Income.

**NOTE No.18 Change in Inventories**

(Rs. in Thousand)

Sr. No	Particulars	Figure for the Current Reporting Period 2013-14	Figure for the Previous Reporting Period 2012-13
1	Opening Work in Progress	2,377.19	10,708.84
2	Closing Work in Progress	15,978.53	2,377.19
	<b>Decrease /Increase</b>	<b>(13,601.33)</b>	<b>8,331.64</b>

**NOTE No.19 Employment Benefit Expenses**

(Rs. in Thousand)

Sr. No	Particulars	Figure for the Current Reporting Period 2013-14	Figure for the Previous Reporting Period 2012-13
1	Salaries and Allowances	82,449.91	72,172.56
2	Honorarium	11.49	71.50
3	Rent of Officers' Accommodation	989.00	915.77
4	Provident Fund	7,044.94	5,985.10
5	ESIC	81.26	-
6	Gratuity	2,233.24	412.31
7	Group Insurance	105.80	114.63
8	Medical Insurance	235.36	434.55
9	Leave Salary	2,322.70	3,689.96
10	Productivity Linked Incentives (PRP)	7,027.26	4,078.15
11	Medical Expenses	4,952.99	4,088.86
12	Welfare Expenses	1,480.64	1,376.46
13	Seminar & Training	1,074.46	1,462.74
14	Interest Subsidy on Housing Loan	2.44	2.23
15	Overtime Allowance	840.82	865.83
16	Merit Scholarship	129.40	14.40
	<b>Total</b>	<b>1,10,981.69</b>	<b>95,685.04</b>

**19.1 RELATED PARTY DISCLOSURES**

The related parties were identified by the Company in accordance with Accounting Standard (AS)-18 and nature of transactions entered by CMD during the year are as follows:

**DETAILS OF KEY MANAGEMENT PERSONNEL OF THE COMPANY****Ms Anju Banerjee****Chairperson & Managing Director**

- a) Remuneration paid to CMD (F.Y. 2013-14): Rs. 35,25,176/-  
Present Chairperson & Managing Director  
(Previous year Rs. 26,04,664/-)
- b) Rent paid to Relative of CMD (F.Y. 2013-14):- Rs.6,30,000/-  
(Previous Year-Rs. 6,30,000/-).

**19.2** Salary to the tune of Rs. 38.24 lacs has been charged to various projects executed during the year 2013-14 (Previous Year Rs. 43.92 lacs)

**19.3 GRATUITY**

Acturaial Valuation of Gratuity Liability for the period from 01/04/2013 to 31/03/2014

**(Rs. in Lacs)**

Sr. No	Particulars	Gratuity (Funded)
		Figure for the Current Reporting Period 2013-14
<b>A</b>	<b>Change in Present Value of Obligation</b>	
i	Present value of obligation as at the beginning of the period	322.59
ii	Interest Cost	27.42
iii	Past Service Cost	-
iv	Current Service Cost	20.49
v	Curtailment/ Settlement Cost	-
vi	Benefits Paid	(10.00)
vii	Actuarial (gain)/ loss on obligation (Balancing figure)	5.15
viii	Present value of obligation as at the end of the period	365.65
<b>B</b>	<b>Changes in fair value of plan assets</b>	
i	Fair Value of plan assets as at the beginning of the period	333.15
ii	Expected return on plan assets	29.15
iii	Contributions	3.34
iv	Benefits paid	(10.00)
v	Actuarial (gain)/ loss on obligation	(0.25)
vi	Fair Value of plan assets as at the end of the period	355.39
<b>C</b>	<b>The amounts to be recognized in the balance sheet</b>	
i	Present value of obligation as at the end of the period	365.66
ii	Fair Value of plan assets as at the end of the period	355.38
iii	Difference	(10.28)
iv	Excess of actual over estimated	(0.25)
v	Net Assets /(liability ) recognized in Balance Sheet	(10.28)
<b>D</b>	<b>Expenses recognized in the statement of profit and loss</b>	
i	Current Service Cost	20.49
ii	Past Service Cost	-
iii	Interest Cost	27.42
iv	Expected return on plan assets	(29.15)
v	Curtailment/ Settlement Cost	-
vi	Net Actuarial(gain) /loss recognized in Period	5.40
vii	Expenses recognized in the statement of profit and loss	24.17

## Summary of results

The table below shows a summary of the key results of the report including past results as applicable.

(Rs. in Lacs)

Assets / Liability	Figure for the Current Reporting Period 2013-14	Figure for the Previous Reporting Period 2012-13
a) Present value of obligation	365.67	322.60
b) Fair value of plan assets	355.39	333.15
c) Net assets / (liability) recognized in balance sheet as provision	(10.28)	10.55
d) Enterprise best estimate of contribution during next year is Rs.32,93,541/-.		

## Actuarial Assumptions

### a) Economic Assumptions

The principal assumptions are the discount rate & salary growth rate. The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities & the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis. Valuation assumptions are as follows which have been agreed by the company:

Particulars	Figure for the Current Reporting Period 2013-14
i) Discounting Rate	8.5
ii) Future salary Increase	6
iii) Expected Rate of return on plan assets	8.75

### b) Demographic Assumption

i) Retirement Age (Years)	60
ii) Mortality Table	IALM(2006-08)
iii) Ages	Withdrawal Rate (%)
Up to 30 Years	-
From 31 to 44 years	2.00
Above 44 years	1.00

## Actuarial Method

- Projected Unit Credit (PUC) actuarial method has been adopted to assess the plan's liabilities of exit employees for retirement, death-in-service and withdrawals (Resignations / Terminations).
- Under the PUC method a projected accrued benefit is calculated at the beginning of the period and again at the end of the period for each benefit that will accrue for all active member of the plan. The projected accrued benefit is based on the plan accrual formula and upon service as of the beginning or end of period, but using member's final compensation, projected to the age at which the employee is assumed to leave active service. The plan liability is the actuarial present value of the projected accrued benefits as on the date of valuation.

## 19.4 Earned Leave Liability

Acturaial Valuation of Earned Leave Liability for the period from 01/04/2013 to 31/03/2014.

### (i) Summary of results

The table below shows a summary of the key results of the report including past results as applicable.

Assets / Liability	Figure for the Current Reporting Period 2013-14	Figure for the Previous Reporting Period 2012-13
a) Present value of obligation	148.42	147.50
b) Fair value of plan assets	--	--
c) Net assets / (liability) recognized in balance sheet as provision	(148.42)	(147.50)
d) Enterprise best estimate of contribution during next year is Rs.32,28,936/-.		

### (ii) Summary of membership data

As at 31.03.2014	Figure for the Current Reporting Period 2013-14
a) Number of employees	152.00
b) Total Monthly Salary for leave encashment (Lakhs)	54.20
c) Total Monthly Salary for leave availment (Lakhs)	108.41
d) Average Past Service (Years)	11.97
e) Average Age (Years)	41.79
f) Average remaining working life (Years)	18.21

### (iii) Actuarial Assumptions

#### a) Economic Assumptions

The principal assumptions are the discount rate & salary growth rate. The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities & the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis. Valuation assumptions are as follows which have been agreed by the company:

Particulars	Figure for the Current Reporting Period 2013-14
i) Discounting Rate	8.50
ii) Future salary Increase	6.00
iii) Expected Rate of return on plan assets	-



**b) Demographic Assumption**

i) Retirement Age (Years)	60
ii) Mortality Table	IALM (2006-08)
iii) Ages	Withdrawal Rate (%)
Up to 30 Years	-
From 31 to 44 years	2.00
Above 44 years	1.00

**(iv) Actuarial Method**

- a) Projected Unit Credit (PUC) actuarial method has been adopted to assess the plan's liabilities on exit of employees due to retirement, death-in-service and withdrawal, and also compensated absence while in service.
- b) Under the PUC method a projected accrued benefit is calculated at the beginning of the period and again at the end of the period for each benefit that will accrue for all active member of the plan. The projected accrued benefit is based on the plan accrual formula and upon service as of the beginning or end of period, but using member's final compensation, projected to the age at which the employee is assumed to leave active service. The plan liability is the actuarial present value of the projected accrued benefits as of the beginning and end of the period for active members including availment, encashment while in service.

**(v) Change in present value of obligation**

Particulars	Figure for the Current Reporting Period 2013-14
a) Present value of obligation as at the beginning of the period (31/03/2013)	1,47,49,712
b) Acquisition adjustment	--
c) Interest cost	12,53,726
d) Past service cost	--
e) Current service cost	15,80,371
f) Curtailment cost/(Credit)	--
g) Settlement cost/(Credit)	--
h) Benefits paid	(25,62,620)
i) Actuarial (gain)/loss on obligation	(1,79,272)
j) Present value of obligation as at the end of period (31/03/2014)	1,48,41,917

**(vi) Changes in the fair value of plan assets**

Particulars	Figure for the Current Reporting Period 2013-14
a) Fair value of plan assets at the beginning of the period	--
b) Acquisition adjustment	--
c) Expected return on plan assets	--
d) Employer contributions	--
e) Benefits paid	--
f) Actuarial gain/(loss) on plan assets	--
g) Fair value of plan assets at the end of the period	--

**(vii) The amounts to be recognized in balance sheet and related analysis**

Particulars	Figure for the Current Reporting Period 2013-14
a) Present value of obligation as at the end of the period	1,48,41,917
b) Fair value of plan assets as at the end of the period	--
c) Funded status	(1,48,41,917)
d) Excess of actual over estimated	--
e) Unrecognized actuarial (gains)/losses	--
f) Net asset/(liability) recognized in balance sheet	(1,48,41,917)

**(viii) Expense recognized in the statement of profit and loss**

Particulars	Figure for the Current Reporting Period 2013-14
a) Current service cost	15,80,371
b) Past service cost	
c) Interest cost	12,53,726
d) Expected return on plan assets	--
e) Curtailment cost / (Credit)	--
f) Settlement cost / (Credit)	--
g) Net actuarial (gain)/ loss recognized in the period	(1,79,272)
h) Expenses recognized in the statement of profit & loss	26,54,825

**(ix) Major categories of plan assets (as percentage of total plan assets)**

Particulars	Figure for the Current Reporting Period 2013-14
a) Government of India Securities	--
b) State Government securities	--
c) High Quality Corporate Bonds	--
d) Equity Shares of listed companies	--
e) Property	--
f) Special Deposit Scheme	--
g) Funds Managed by Insurer	--
h) Bank Balance	--

**19.5 ADDITIONAL INFORMATION**

Additional information required under Part-II of Schedule-VI of the Companies Act, 1956.

- 1 Remuneration and benefits include Rs. 35,25,176/- (Previous year Rs. 26,04,664/-) incurred during the financial year 2013-14 on Chairperson & Managing Director as per details below :

Sr. No	Particulars	Figure for the Current Reporting Period 2013-14	Figure for the Previous Reporting Period 2012-13
	Salary & Allowances	1,618,160.00	1,453,133.00
	PF Contribution	194,179.00	174,658.00
	Medical, Leased Accommodation, LTC, & Other Perquisites	1,712,837.00	976,873.00
	<b>Total</b>	<b>3,525,176.00</b>	<b>2,604,664.00</b>

- 2 The Company has provided an air-conditioned car to the Chairperson & Managing Director for official and private use in terms of Ministry of Finance, Department of Expenditure Circular No. 4(12)/82-BPE(WC) dated 01.04.87 as amended from time to time for private use not exceeding 1000 km per month. A sum at the rate of Rs. 2000/- is being recovered towards the use of car for personal purposes
- 3 The Company has provided leased accommodation to Chairperson & Managing Director. A sum of Rs. 91,125/- (Previous Year Rs. 90,000/-) has been recovered towards House Rent Recovery during the financial year 2013-14.
- 4 The Company has provided furnished accommodation to Chairperson & Managing Director. An amount of Rs. 22,780/- (Previous Year 22,500/-), (2.5% of basic) has been recovered in this financial year towards rent for furniture & fixtures in respect of accommodation provided to Chairperson & Managing Director.
- 5 Traveling expenses include Rs. 91,843/- incurred on inland travel of the Chairperson and Managing Director (Previous Year Rs. 64,841/-). There was no foreign travel during the year.

**6 Payments made to Auditors:**

Sr. No	Particulars	Figure for the Current Reporting Period 2013-14	Figure for the Previous Reporting Period 2012-13
a)	<b>As Auditor</b>		
	· For Statutory Audit	2,00,000/-	2,00,000/-
	· For Tax Audit	1,00,000/-	1,00,000/-
b)	<b>As Advisor and in any other capacity:</b>		
	· For Certification [Included in project expenditure]	1,94,000/-	1,67,444/-
	· Out of Pocket Exp.	18,500/-	20,600/-
	<b>Total</b>	<b>5,12,500/-</b>	<b>4,88,074/-</b>

7 The Company has since adopted policy in FY 2014-05 on “Post Retirement Mediclaim Facility” for extending medical facilities to Retired / Deceased Employees after 1.1.2007, with the approval of MHRD dated 26.05.2014.

8 The Cash Flow Statement has been prepared in accordance with indirect method.

**NOTE NO. 20 Depreciation & Amortised Cost**

(Rs. in Thousand)

Sr. No	Particulars	Figure for the Current Reporting Period 2013-14	Figure for the Previous Reporting Period 2012-13
1	Depreciation	3,908.09	4,107.62
2	Preliminary Expenses W/O	-	-
	<b>Total</b>	<b>3,908.09</b>	<b>4,107.62</b>

**NOTE NO: 21 Other Expenses**

(Rs. in Thousand)

Sr. No	Particulars	Figure for the Current Reporting Period 2013-14	Figure for the Previous Reporting Period 2012-13
	Recruitment Expenses	104.35	282.20
	Postage, Telephone & Telex	1,389.27	1,252.67
	Travelling & Conveyance	1,704.57	2,357.78
	Electricity & Water Charges	2,124.59	1,923.15
	Generator Set Exp.	1,170.37	1,102.33
	Office Insurance	232.59	-
	Bad Debts	288.41	1,391.95
	Provision for Bad Debts	2,173.38	7,599.07
	Advances written off	135.02	-
	Car Running & Maintenance(Net of Recovery)	446.94	254.56

Printing & Stationery	2,390.31	1,991.69
PF Outsource Expences/PF Trust Expenses	234.96	274.00
Interest on Service Tax	-	696.54
Repair & Maintenance	-	-
Office Equipment	3,549.08	2,680.33
Premises	4,758.61	3,893.14
Advertisement & Publicity	2,473.75	2,111.44
Legal & Professional Charges	1,472.15	696.84
Auditors' Remuneration	-	-
Statutory Audit Fee	218.50	290.00
Tax Audit Fee	100.00	100.00
Bank Charges	28.21	20.89
Internal audit Fees	73.00	60.00
Miscellaneous Expenses	1,425.05	756.78
Membership and Subscription	91.63	288.06
Board Meetings Expenses	232.53	177.93
Books & Periodicals	45.05	64.56
Consultancy fee	989.67	2,203.29
Ground Rent	2,250.00	450.00
Business Promotion Expenses	201.45	172.60
TDS Disallowed	1,443.41	-
R & D Activity	-	121.06
Sustainable Development	-	83.12
CSR Activity	132.07	779.79
<b>Total</b>	<b>31,878.90</b>	<b>34,075.76</b>

**NOTE NO. 22 Exceptional Items**

(Rs in Thousand)

Sr. No	Particulars	Figure for the Current Reporting Period 2013-14	Figure for the Previous Reporting Period 2012-13
1	Loss on sale of Fixed Assets	562.53	-
2	Profit on Sale of Fixed Assets	(34.09)	-
3	Allowances for Doubtful debts written Back	(186.72)	(1,251.80)
4	Unclaimed Balances Written Off	-	(3,726.72)
	<b>Total</b>	<b>341.72</b>	<b>(4,978.51)</b>

**NOTE NO. 23**

Previous year figures have been regrouped/rearranged wherever considered necessary to facilitate comparison.



## PRIMARY BUSINESS SEGMENT

(Rs. in Thousand)

Particulars	Figure for the Current Reporting Period 2013-14	Figure for the Previous Reporting Period 2012-13
<b>Segment Revenue</b>		
(I) Technical Assistance	491,581	441,502
(II) Institutional Development	14,219	35,693
(III) Human Resource Development	195,746	129,635
Sale of Software	8,429	1,665
<b>Total:</b>	<b>709,975</b>	<b>608,494</b>
<b>Segment Result</b>		
(I) Technical Assistance	60,185	56,116
(II) Institutional Development	8,869	32,490
(III) Human Resource Development	153,599	88,461
Sale/Purchase of Software	15,931	965
<b>Total:</b>	<b>238,584</b>	<b>178,032</b>
Other Income	49,071	36,435
	<b>287,655</b>	<b>214,467</b>
Less: Unallocated Expenses		
Depreciation	3,908	4,108
Other exp., Extraordinary & Prior Period Items	143,202	128,796
<b>Net Profit before Tax</b>	<b>140,545</b>	<b>81,563</b>
Income tax including Deferred Tax	53,237	28,980
<b>Net Profit after Tax</b>	<b>87,308</b>	<b>52,583</b>
<b>Segment Assets:</b>		
Technical Assistance	386,831	264,961
Institutional Development	5,859	3,971
Human Resource Development	35,484	219,731
<b>Total Segment Assets:</b>	<b>428,174</b>	<b>488,663</b>
<b>Segment Liabilities:</b>		
Technical Assistance	461,384	329,426
Institutional Development	46,699	65,278
Human Resource Development	114,116	367,660
<b>Total Segment Liabilities:</b>	<b>622,199</b>	<b>762,364</b>

(Rs. in Thousand)

Particulars	Figure for the Current Reporting Period 2013-14	Figure for the Previous Reporting Period 2012-13
<b>OTHER INFORMATION</b>		
Fixed Assets(Net)*	53,206	52,911
Current Assets, Loans & advances	1,065,513	1,187,619
Current Liabilities	832,415	1,013,133
Capital Employed*	286,304	227,397
<b>Segment Assets excludes:</b>		
Fixed Assets	53,206	52,911
Cash & Bank Balances	459,148	497,826
Advances Recoverable	6,884	8,998
TDS Recoverable	68,138	111,657
Advance Income Tax	41,268	74,010
Prepaid Exp.	731	-
Income Tax Refund	24,582	-
Service Tax	31,314	-
Advance FBT	4,452	4,452
Deferred Tax Asset	11,356	9,012
Security Deposit	823	2,013
<b>Total</b>	<b>701,902</b>	<b>760,880</b>
<b>Segment Liabilities excludes:</b>		
Share Capital	20,000	20,000
Reserves & Surplus	275,378	214,168
Staff Welfare Fund	2,283	2,242
CSR Fund	-	-
Sundry Creditors	3,797	3,970
Other Liabilities	32,381	24,565
Security Deposit From Suppliers	2,842	3,300
Provisions	171,196	218,934
<b>Total</b>	<b>507,877</b>	<b>487,179</b>

## SECONDARY GEOGRAPHICAL SEGMENT

Domestic Segment: Relating to domestic business

Overseas Segment: Relating to export business

(Rs. in Thousand)

Particulars	Figure for the Current Reporting Period 2013-14	Figure for the Previous Reporting Period 2012-13
<b>Segment Revenue</b>		
Domestic	684,576	584,088
Overseas	25,399	24,406
<b>Total</b>	<b>709,975</b>	<b>608,494</b>
<b>Segment Results Profit/Loss(-)</b>		
Domestic	218,814	161,219
Overseas	19,770	16,813
<b>Total</b>	<b>238,584</b>	<b>178,032</b>
<b>Segment Assets</b>		
Domestic	413,357	276,903
Overseas	14,817	211,760
<b>Total</b>	<b>428,174</b>	<b>488,663</b>
<b>Segment Liabilities</b>		
Domestic	618,655	715,464
Overseas	3,544	46,901
<b>Total</b>	<b>622,199</b>	<b>762,364</b>
<b>Segment Assets excludes:</b>		
Fixed Assets	53,206	52,911
Cash & Bank Balances	459,148	497,826
Advances Recoverable	6,884	8,998
TDS Recoverable	68,138	111,657
Advance Income Tax	41,268	74,010
Prepaid Exp.	731	-
Income Tax Refund	24,582	-
Service Tax	31,314	-
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<b>Total</b>	<b>701,902</b>	<b>760,879</b>
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Sundry Creditors	3,797	3,970
Other Liabilities	32,381	24,565
Security Deposit From Suppliers	2,842	3,300
Provisions	171,196	218,934
<b>Total</b>	<b>507,877</b>	<b>487,179</b>

G.R. Garg & Co.  
Chartered Accountants



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### **INDEPENDENT AUDITOR'S REPORT**

To the Members of  
EdCIL India Ltd.

#### **Report on Financial Statements**

We have audited the accompanying financial statements of EdCIL India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **Management's responsibility for the financial statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Basis for Qualified opinion**

- 1) *Balances of trade receivables, trade payables, loans & advances and bank balances with Midland Bank, London (refer to note 14.1 of notes to accounts) have not been got confirmed from counter parties . The financial impact of this non-compliance, if any, could not be determined.*
- 2) *Information is not available regarding classification of creditors into Micro, Small and Medium enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 (refer to note 6.1 of notes to accounts). The financial impact of this non-compliance, if any, could not be determined.*
- 3) *Loans & Advances includes ₹69.58 lakhs (previous year ₹83.91 lakhs) which are unsecured, and outstanding for a period of more than three years have not been got confirmed. The company has created provision of ₹49.47 lakhs (previous year ₹30.66 lakhs) against these advances. In our opinion, the recovery of dues is doubtful. To the extent of shortfall of provisioning of ₹20.11 lakhs (previous year ₹53.25 lakhs), the profit and loans and advances have been overstated.*
- 4) *Attention is drawn to Note 17.3 to the financial statements, wherein the company has shown expenses worth ₹23.81 lakhs, pertaining to Financial Year 2012-13, as current year expenditure whereas it should have been shown as prior-period item. Similarly, income pertaining to FY 2012-13 amounting to ₹27.02 lakhs was also shown as current year income whereas it should have been disclosed as prior-period item.*
- 5) *The company has provided liability for gratuity of only regular employees on the basis of actuarial valuation obtained and the same has not been done for liability due towards the contractual staff (refer to para 7.1 to Note to accounts). The financial impact of this non-compliance cannot be quantified as the company has not got the actuarial valuation done for the same.*
- 6) *The company has not provided for liability towards post-retirement medical cost benefits payable to employees which is in violation of AS-15 regarding Accounting for Employee Benefits. The financial impact of the same cannot be ascertained.*
- 7) *Reference may be made to para 3 of note no. 15 to financial statements regarding execution of ERP implementation project for Assam Engineering College. The company has recognized Work in Progress of ₹62.65 lakhs as of 31-3-2014. The invoices issued by the vendors/ service providers against the goods supplied and work accomplished as per milestones subscribed in proposal accepted by client amount to ₹213.11 lakhs (inclusive of taxes) for year under audit. The company has not been able to provide satisfactory reply for not recognising the whole of the bills received as Work in Progress. It is apprehended that the shortfall of ₹144.82 lakhs in Work in Progress, being the difference between the amount of the bills received and amount of Work in Progress recognized, has resulted in under-statement of Work in Progress as well as its corresponding liability by the aforementioned amount.  
Further, the amount of bill received of ₹213.11 lacs constitute 68.75% of the project cost. If the whole of the bill received had become Work in Progress, proportionate income attributable to completed part of project should have been recognized as income from project. We have not been able to determine the related income in the absence of information.*
- 8) *In absence of reconciliation made available to us for Service Tax credit available and dues payable as at end of financial year, we cannot comment on the accuracy or otherwise of Service Tax asset of ₹313.14 lakhs.*
- 9) *An amount of ₹44.52 lakhs included as advance tax paid represents FBT pertaining to years 2006-07, 2007-08 and 2008-09, the adjustment of which by charging to Profit & loss account*

*was omitted to be done in past resulting in overstatement of Tax assets by ₹44.52 lakhs and overstatement of Liability on FBT provision by ₹44.47 lakhs (refer para 7.2 of notes to accounts)*

### Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the matters described in the Basis for Qualified Opinion paragraph*, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Profit and Loss Statement, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Emphasis of matter

- 1) Attention is drawn to para (c) of Note no. 8 of Significant Accounting Policies, wherein the company has changed its accounting policy related to accounting for liability towards Gratuity payable to employees. Earlier the company was accounting for premium paid to LIC in respect of Employee Group Gratuity Policy as an expense to Statement of Profit & Loss in earlier years. In the current Financial Year, the company has recognized the employee liability and related plan assets in the accounts for the first time based on Actuarial Valuation to comply with the requirements of AS-15 (Employee Benefits). Accordingly, the company has regularised the relevant entries by recognizing Present Value of Obligation of gratuity payable and Fair Value of Plan Assets as at 1<sup>st</sup> April, 2013 and as at 31<sup>st</sup> March, 2014. Since the details of Interest Cost, Service Cost, Return on Plan Assets and Actuarial Gain/Loss for the previous years were not available, the company has accounted for the same as at 1-4-2013 on net basis and disclosed the same.
- 2) Attention is drawn to para (c) of Note no. 8 of Significant Accounting Policies, wherein the company has changed accounting policy related to accounting for liability towards leave encashment to employees. The company was accounting for liability *on the basis of accrued earned leave and encashable portion of half-pay leave accumulated by the employees up to the close of the financial year*. In current Financial Year, the company has for the first time obtained an Actuarial Valuation as at Balance Sheet date to comply with the requirements of AS-15 Employee Benefits.
- 3) Attention is invited to para (c) of Note 8 to Financial Statements, wherein management has stated that there has been no indication of impairment to fixed assets of the company during the year under audit. We are unable to express any opinion about this management perception in the absence of sufficient information.
- 4) The company has accounted for revenue of ₹180.50 lakhs (Previous year- ₹509.17 lakhs) and expenditure of ₹171.91 lakhs (previous year- ₹484.92 lakhs) on Monitoring Institutes Project. As per information and explanation provided to us there is no Tri-partite agreement between the Ministry of Human Resource Development, Government of India, the Monitoring Institutes and EdCIL (India) Ltd

However, transactions have been undertaken with the parties based on the verbal understanding and minutes of meetings. The company is recording revenue based on gross



- sales/receipts basis on the understanding mentioned above. This practice has consistently been followed by the company since the commencement of the project.
- 5) Attention is drawn to para 2 to note 15 of Financial Statements regarding break-up of income that certain incomes are accounted for on gross basis as the company perceives the relationship with the counter-party on a principle to principle basis.
  - 6) Attention is drawn to Note 7.3(a) to the financial statements, wherein the company has shown the contingent liability of service tax of ₹101.32 Lakhs on the basis of show cause notices issued by the Commissioner of Service Tax for Financial years 2007-08 to 2012-13.

#### Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 those 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 comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 *except as stated in para 4, 5 and 6 of Basis of Qualification.*
  - e) Since the company is a Government Company Clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 is not applicable to the Company in terms of Notification No. GSR-829 (E) dated 21.10.2003.
  - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For G.R. Garg and Co.

**Chartered Accountants**

FRN: 000214N

Sd/-

**Gaurav Garg**

**(Partner)**

Membership No. 097327

Place: New Delhi

Date: 25.08.2014

G.R. Garg & Co.  
Chartered Accountants



## ANNEXURE

RE: EDCIL INDIA LIMITED

Referred to in the paragraph 3 of our report of even date.

- 1) (a) The Fixed Assets Register produced does not contain Date of purchase, physical location and identification / specification in some of the assets.  
 (b) It has been informed to us that the assets were physically verified by the management during the year. However, *we have not been provided with the report of physical verification, hence the discrepancy with the book records cannot be commented on.*  
 (c) During the year, the company has not disposed off substantial part of fixed assets and which as per our opinion and knowledge does not have any effect on the going concern status of the company.
- 2) According to the information and explanation given to us, the inventory has neither been physically verified during the year by the management nor proper records of inventory have been maintained by the company, hence we are unable to comment on points mentioned under paragraph 4(ii)(a) to (c). However, closing work-in-progress has been valued and certified by the management.
- 3) (a) The company has not granted any loans, secured or unsecured to Companies, firms or other parties concern covered under the register maintained under section 301 of the Companies Act, 1956. Paragraphs (b), (c) and (d) are hence not applicable.  
 (b) The company has not taken any loans, secured or unsecured from Companies, firms or other parties concern covered under the register maintained under section 301 of the Companies Act, 1956. Paragraphs (b), (c) and (d) are hence not applicable.
- 4) In our opinion and according to the information and explanations given to us, the internal control system needs to be intensified to make commensurate with the size of the Company and the nature of its business with regards to purchase of inventory, fixed assets and with regards to sale of goods and services. *Attention is invited to note 15.3 to the financial statements wherein company is reflecting Work in Progress to the tune of ₹159.78 lakhs. Out of the said amount, ₹154.70 lakhs pertain to the projects shown as under execution stages by the New Initiatives division of the company. In our opinion, the internal controls with regards to selection of vendors and procurement of goods and services and with regards to sale of projects being undertaken by New Initiative Division particularly need to be intensified to make it commensurate with the approved policies, size of the company and nature of activities being carried on.* Further attention is invited to Loans and advances which include an amount of ₹34.73 lakhs (previous year-₹50.76 lakhs) advanced to 2 contractors for execution of renovation work of building premises taken on rent by Technical Support Group (TSG) at Vijaya Building, Barakhamba Road and is still pending adjustment and finalization (refer note 14.1 of

- 5) (a) According to the information and explanations given to us, particulars of contracts *have not been entered* into register maintained under Section 301 of the Companies Act, 1956.  
(b) In our opinion and according to the information and explanations given to us, the transaction made in pursuance of contracts as mentioned above is in line of principles of self-lease approved by Board of Directors.
- 6) In our opinion and according to the information and explanations given to us, the company has not accepted any deposit during the year under audit, in violation of provisions of section 58A or section 58AA. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- 7) In our opinion and according to information and explanations given to us, the internal audit system of the company needs to be strengthened in accordance with the size and nature of its business.
- 8) According to the information and explanations given to us, we are of the opinion that the concerned company is not required to maintain cost records under section 209(1) (d) of the Companies Act, 1956.
- 9) (a) According to the information and explanations given to us, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, income tax, sales tax, wealth tax, custom duty, excise duty and other material statutory dues applicable to it. However, the company has delayed the payment of Employee State Insurance dues of ₹8.90 lakhs beyond 6 months from the date it became payable as at the end of Financial Year  
(b) According to Information & Explanation given to us, there are no disputed statutory dues pending payment with sales tax, income tax, custom duty, wealth tax or excise authorities.
- 10) In our opinion and according to information and explanations given to us, the company has neither accumulated losses as at 31<sup>st</sup> March, 2014 nor has it incurred cash loss either during the financial year ended on that date or in the immediately preceding financial year.
- 11) In our opinion and according to the information and explanations given to us, the company has not borrowed funds from financial institution, bank or issued debentures.
- 12) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) order, 2003 are not applicable to the company.

- 14) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- 15) As per information and explanations given to us, the company has not given guarantees for loans taken by others from banks or financial institutions.
- 16) According to the information and explanations given to us, the company has not taken or accepted any term loans during the year under audit. Hence this clause is not applicable.
- 17) According to the information and explanations given to us, the company has not raised funds from term loans.
- 18) According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- 19) According to the information and explanations given to us, during the period covered by our audit report, the company has not issued any debentures.
- 20) During the year under audit, no money was raised from public issues.
- 21) During the course of our examination of the books of accounts and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us we have not come across any instance of fraud on or by the Company, noticed or reported during the year, nor have been informed of such case by the management.

For G.R. Garg and Co.

**Chartered Accountants**

FRN: 000214N

Sd/-

**Gaurav Garg**

**(Partner)**

Membership No. : 097327

Place: New Delhi

Date: 25.08.2014

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA  
UNDER SECTION 619 (4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF  
EDCIL (INDIA) LIMITED FOR THE YEAR ENDED 31st MARCH 2014**

The preparation of financial statements of **EdCIL (India) Limited** for the year ended 31st March 2014 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619 (2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on the independent audit in accordance with the Standards on Auditing prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated **25.08.2014**.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3) (b) of the Companies Act, 1956 of the financial statements of **EdCIL (India) Limited** for the year ended 31st March 2014. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matter under section 619 (4) of the Companies Act, 1956 which has come to my attention and which in my view is necessary for enabling a better understanding of the financial statement and the related Audit Report.

**(A) BALANCE SHEET**

**Cash and Cash Equivalent      ₹ 6226.05 lakh (Note No.13)**  
**Balance with Schedule Banks**

**(i). Fixed Deposits (Free)      ₹ 3850.68 Lakh**

Above includes fixed deposits amounting to ₹ 33.86 crore having maturity period of three to twelve months. According to Accounting Standard-3, an investment normally qualifies as a cash equivalent only when it has a short maturity period of three months or less from the date of acquisition. Hence, these fixed deposits having maturity period of three to twelve months should have been shown under another head namely "Other Bank Balances". (Para 6.4 of the Guidance Note on the Revised Schedule VI to the Companies Act, 1956)

This resulted in overstatement of Cash and Cash Equivalents and corresponding understatement of “Other Bank Balance” (under the broad head of cash and bank balances) by ₹ 33.86 crore.

**(ii). Interest accrued but not due on Fixed Deposits ₹ 104.42 lakh**

Above amount of interest accrued but not due on fixed deposits is required to be classified under other Current Assets as per Revised Schedule VI of the Companies Act, 1956.

This depiction of interest resulted in overstatement of Cash and Cash Equivalents and corresponding understatement of Other Current Assets by ₹ 1.04 crore.

**(B) Statement of Profit and Loss**

Revenue from operations ₹ 7099.75 lakh (Note No.15)

Project expenditure ₹ 4770.40 lakh (Note No.17)

Both the above heads are overstated by ₹ 40.11 crore each. In this context, reference is invited to comments on annual accounts of the Company for the year 2011-12 regarding overstatement of revenue by ₹ 68 crore from four areas of operations namely Technical Assistance, Placement services, Secondment and Institutional Development. Subsequently, the Company amended its policy for recognising the revenue from Placement Services.

The Company accounted for revenue during 2013-14 arising from 27 technical assistance projects executed as service provider for /on behalf of the clients. The Company was entitled to service charges, ranging from four *per cent* to sixteen *per cent* of the project expenditure. As per Accounting Standard 9, in case of service contracts *inter-alia* the revenue is measured by the charges made to customers or clients for services rendered to them as part of the ordinary activities of the enterprise. However, the Company accounted for the entire project expenditure amounting to ₹ 40.11 crore in violation of AS 9 as its own expenditure and entire project expenditure *plus* service charges it earned on these projects as its revenue. In respect of Secondment and Institutional Development no revenue was accounted for during the year.

The incorrect accounting resulted in overstatement of 'project expenditure' and 'revenue from operations', each by ₹ 40.11 crore.

For and on the behalf of the Comptroller  
and Auditor General of India

Sd/-

(V. A. Patwardhan)

Principal Director of Commercial Audit &  
Ex-Officio Member, Audit Board-IV

Place: New Delhi.  
Date: 23.12.2014



**REPLY TO THE AUDIT REPORT OF THE COMPTROLLER AND AUDITOR  
GENERAL OF INDIA ON THE ACCOUNTS OF EdCIL (INDIA) LIMITED FOR THE  
YEAR ENDED 31<sup>ST</sup> MARCH 2014.**

S. No.	CAG Comments	Management Reply
	<p>The preparation of financial statements of <b>EdCIL (India ) Limited</b> for the year ended 31<sup>st</sup> March 2014 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on the independent audit in accordance with the Standards on Auditing prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit report dated <b>25.08.2014</b>.</p> <p>I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619 (3) (b) of the Companies Act, 1956 of the financial statements of <b>EdCIL (India) Limited</b> for the year ended 31<sup>st</sup> March, 2014. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.</p> <p>Based on my supplementary audit, I would like to highlight the following significant matter under section 619 (4) of the Companies Act, 1956 which has come to my attention and which in my view is necessary for enabling a better understanding of the financial statement and the related Audit Report.</p>	

1.	<b>A. BALANCE SHEET</b>	
	<p><b>Cash and Cash Equivalent Rs.6226.05 Lakh (Note no.13)</b>  <b>Balance with Schedule Banks</b></p> <p><b>(i) Fixed Deposits (Free) Rs 3850.68 Lakh</b>  Above includes fixed deposits amounting to Rs 33.86 crore having maturity period of three to twelve months. According to Accounting Standard – 3 an investment normally qualifies as a cash equivalent only when it has a short maturity period of three months or less from the date of acquisition. Hence, these fixed deposits having maturity period of three to twelve months should have been shown under another head namely “Other Bank Balances”. (Para 6.4 of the Guidance Note on the Revised Schedule VI to the Companies Act, 1956).  This resulted in overstatement of Cash and Cash Equivalents and corresponding understatement of “Other Bank Balance” (Under the broad head of cash and bank balances) by Rs 33.86 crore.</p> <p><b>(ii) Interest accrued but not due on Fixed Deposits Rs 104.42 Lakh</b>  Above amount of interest accrued but not due on fixed deposits is required to be classified under other Current Assets as per Revised Schedule VI of the Companies Act, 1956.  This depiction of interest resulted in overstatement of Cash and Cash Equivalents and corresponding understatement of Other Current Assets by Rs1.04 crore.</p>	<p>The Annual financial statements and the presentation of the same for the financial year 2013-14 have been prepared in the same manner and basis following the past accepted policies, practices and precedents.</p> <p>However, the comment is appreciated and noted for future compliance.</p> <p>The Annual financial statements and the presentation of the same for the financial year 2013-14 have been prepared in the same manner and basis following the past accepted policies, practices and precedents.</p> <p>However, the comment is appreciated and noted for future compliance.</p>

2.	<p><b>B. Statement of Profit and Loss</b></p> <p><b>Revenue from operation Rs 7099.75 Lakh (Note No.15)</b></p> <p><b>Project expenditure Rs 4770.40 Lakh (Note No.17)</b></p> <p>Both the above heads are overstated by Rs 40.11 crore each. In <b>this context</b>, reference is invited to comments on annual accounts of the Company for the year 2011 – 12 regarding overstatement of revenue by Rs 68 crore from four areas of operations namely Technical Assistance, Placement Services, Secondment and Institutional Development. Subsequently, the Company amended its policy for recognizing the revenue from Placement Services.</p> <p>The Company accounted for revenue during 2013 – 14 arising from 27 technical assistance projects executed as service provider for / on behalf of the clients. The Company was entitled to service charges, ranging from four per cent to sixteen per cent of the project expenditure. As per Accounting Standard 9, in case of service contracts inter-alia the revenue is measured by the charges made to customers or clients for services rendered to them as part of the ordinary activities of the enterprise. However, the Company accounted for the entire project expenditure amounting to Rs 40.11 crore in violation of AS 9 as its own expenditure and entire project expenditure plus service charges it earned on these projects as its revenue. In respect of Secondment and Institutional Development no revenue was accounted for during the year.</p> <p>The incorrect accounting resulted in overstatement of 'project expenditure' and 'revenue from operations' each by Rs 40.11 crore.</p>	<p>As far as the provisions of Accounting Standard 9 is concerned, the para 4 of the Accounting Standard provides "<i>Revenue is the gross inflow of cash, receivables or other consideration arising in the course of ordinary activities of an enterprise from the sale of goods, from the rendering of services, and from the use by others of enterprise resources yielding interest, royalties and dividends. The revenue is measured by the charges made to customer or client for goods supplied and services rendered to them &amp; by the charges and rewards arising from the use of resources by them.</i>"</p> <p>Further, Accounting Standard 9 provides that in an agency relationship only, the revenue is the amount of commission and not the gross inflow of cash, receivables or other consideration.</p> <p>During F.Y 2013-14, the Company has executed various Technical Assistance projects with expenditure of Rs. 4010.64 lacs and New Initiatives projects by carrying out its obligations with its own complete control and discretion and taking sole responsibility for the fulfillment of the Contract. <i>Thus, EdCIL is acting as a Principal, and accordingly, as per AS-9 the revenue recognized by EdCIL shall be the gross inflow of cash against Services provided to the Clients.</i></p> <p>Further EdCIL has also been collecting and paying Service Tax on the Gross Amount billed to the Clients, including the entire Project Expenditure plus EdCIL Service Charges.</p> <p>Separate Legal Opinion on this aspect has also been obtained by the Company supporting that the Company has executed "Cost plus EdCIL Service Charges" Projects under Technical Assistance and New Initiatives in the capacity as Principal, and Revenue Recognition on cost plus is in accordance with AS-9.</p> <p>However, the comment is duly noted and in this regard, the matter may be pursued with Institute of Chartered Accountants of India in the Current Financial Year.</p>
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