



# EdCIL (India) Limited

(A Mini Ratna Category-I CPSE Under Government of India)



# Annual Report

2016-2017



Following the league of the previous years, the Company paid ₹ 10 Crores as dividend to Ministry of Human Resource Development.

Shri Diptiman Das, CMD, EdCIL presented the dividend cheque to Shri Prakash Javadekar, Hon'ble Minister of Human Resource Development, in the presence of Shri Satyapal Singh, Hon'ble Minister of State (Higher Education), Shri K.K. Sharma, Secretary (Higher Education) and Shri R Subrahmanyam, Additional Secretary (Technical Education) and senior officials of EdCIL.

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## *Vision*

"To be a highly respected consultancy and project management organization that provides expertise, services and innovative solutions to drive impact in the education and HR space".







## *Mission*

"To drive disruptive improvements in education and HR outcomes through innovative, technology-led offerings, with highest efficiency and ethical standard to domestics and global clients, and to be the preferred education sector employer".



## CORPORATE INFORMATION

### Current Board of Directors



**Sh. Diptiman Das**  
Chairman & Managing Director



**Smt. Malathi Narayanan**  
MHRD Nominee



**Sh. Dinkar Asthana**  
MEA Nominee  
(Joined on 1-Feb-2017)



**Prof. E Vayunandan**  
Independent Director  
(Joined on 07-Feb-2017)



**Dr. Harshad A Patel**  
Independent Director  
(Joined on 07-Feb-2017)

### Other Directors (Relieved during the year)

**Smt. Nutan Kapoor Mahawar**-MEA Nominee (Relived on 31-Jan-2017)

**Smt. Lata Vaidyanathan**-Independent Director (Relived on 18-Aug-2017)

**Prof. Anil Kumar Gupta**-Independent Director (Relived on 18-Aug-2017)

## Senior Executives and HODs



**Mr. Manoj Kumar**  
Executive Director  
(Projects)



**Dr. K L Sarkar**  
Executive Director  
(Corporate planning)



**Mr. Sandeep Goel**  
(CGM-Finance &  
Company Secretary)



**Mr. Ratnesh Kumar**  
(CGM-HR & Strategy)



**Mr. P K S Shishodia**  
(CGM-EIS/EPS)



**Mr. V V Murari**  
(CGM-AS)



**Mr. U S Gaikwad**  
(HOD-OTAS)



**Dr. Shaik Suleman**  
(HOD-OES)

### **Bankers:**

State Bank of India  
Punjab National Bank  
ICICI Bank  
Corporation Bank

### **Statutory Auditors:**

M/s Shiv & Associates, Chartered Accountants

### **Internal Auditors:**

M/s SAARC & Associates, Chartered Accountants

### **Registered Office:**

5<sup>th</sup> Floor, Vijaya Building,  
Barakhamba Road  
New Delhi-110001

### **Corporate Office:**

"EdCIL House", 18-A, Sector-16-A  
Noida-201301  
(Uttar Pradesh) India

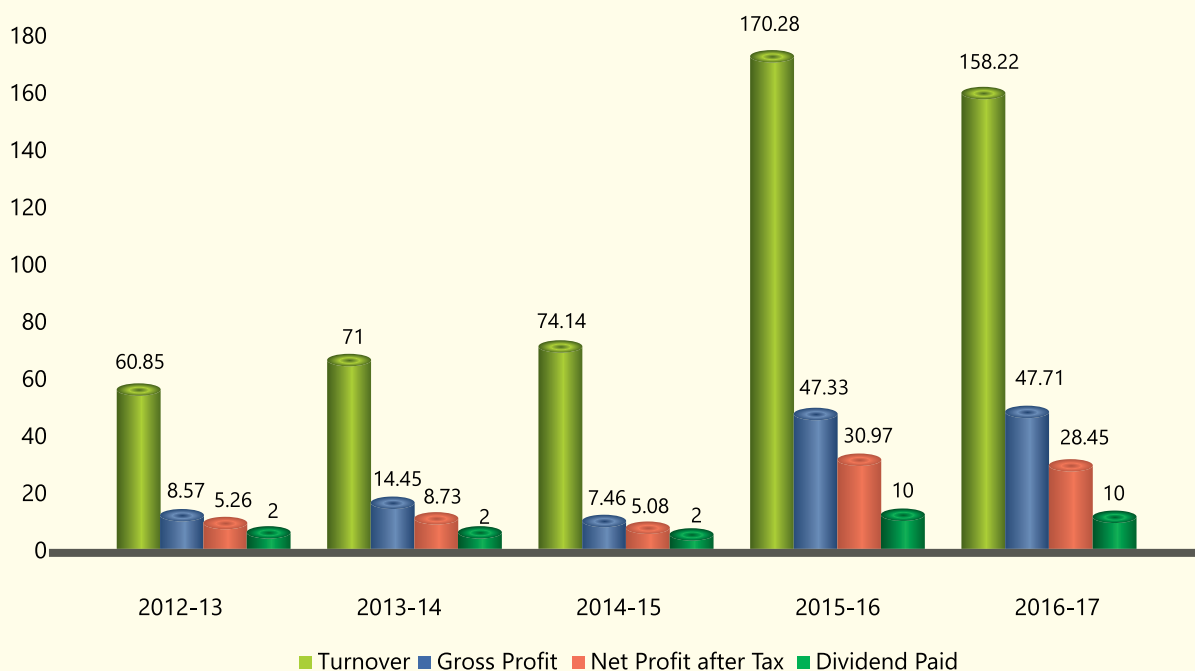


## Growth History over a decade:

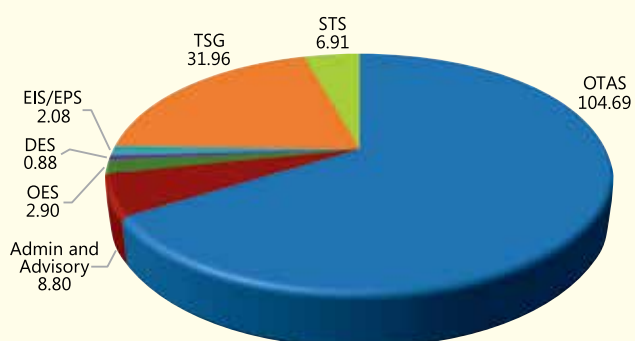
EdCIL (INDIA) LIMITED FINANCIAL RESULT FOR LAST 10 YEARS										
<i>(figures in crores except for no. of employees &amp; earning per share)</i>										
Description	FY'08	FY'09	FY'10	FY'11	FY'12	FY'13	FY'14	FY'15	FY'16	FY'17
Paid-up-Capital	1.25	1.5	1.5	1.5	2	2	2	2	2	2
Reserve & Surplus	14.32	15.71	17.93	18.53	19.35	21.64	27.77	29.91	48.68	76.95
Capital Employed	15.56	16.59	19.13	19.5	20.01	22.74	28.63	29.6	60.98	88.34
Net Worth	15.72	17.31	19.58	20.25	20.85	23.64	29.77	31.91	50.68	78.95
Fixed Assets (Net Block)	5.55	5.59	5.57	5.37	5.43	5.29	5.32	4.82	4.63	5.11
Turnover										
a) Domestic Business	25.79	34.5	39.08	44.77	53.38	58.41	68.46	71.66	168.27	155.32
b) Overseas Business	15.31	19.33	26.38	22.46	33.11	2.44	2.54	2.48	2.01	2.9
Total	41.1	53.83	65.46	67.23	86.49	60.85	71	74.14	170.28	158.22
Misc. Income	3.53	4.91	3.43	2.45	3.48	3.64	4.91	4.04	5.28	10
Total Income	44.63	58.74	68.89	69.68	89.97	64.49	75.9	78.18	175.56	168.22
EBITDA	4.47	5.38	7.05	4.39	4.27	8.57	14.45	7.46	47.33	47.71
Depreciation	0.26	0.29	0.32	0.53	0.38	0.41	0.39	0.36	0.35	0.42
Net Profit before Tax	4.21	5.09	6.73	3.85	3.89	8.16	14.05	7.1	46.99	47.29
Net Profit after Tax	2.7	3.16	4.02	2.49	2.45	5.26	8.73	5.08	30.97	28.45
Dividend paid	1	1.28	1.5	1.5	1.5	2	2	2	10	10
Number of employees (No.)	84	82	81	85	81	78	81	79	79	97
Earning per employee (Rs)	5	8	9	5	5	11	18	9	60	49
Total Value of Business generated	127.77	123.42	95.25	78.48	171.47	151.55	135	155.21	191	197.22
EPS (₹)	180	211	268	166	163	263	437	254	1,549	1,423
EBITDA to Total Income	11	10	11	7	5	14	20	10	28	28
NP Ratio (Before Tax)	10	9	10	6	4	13	19	9	27	28
NP Ratio (After Tax)	7	6	6	4	3	8	12	7	18	17
Net Sales to Capital Employed	3	3	3	3	4	3	2	3	3	2
Net Worth/ per Rupee of Paid up Capital	13	12	13	14	14	12	15	16	25	39

## FINANCIAL INDICATORS

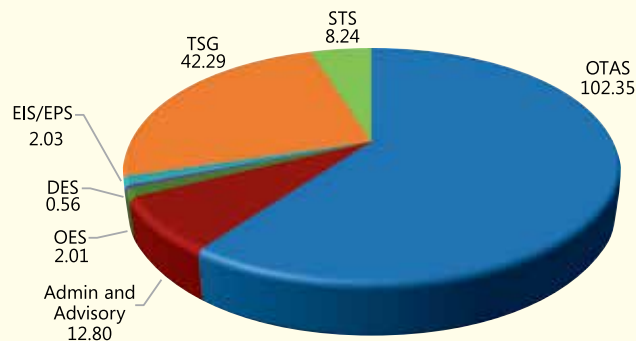
Figures in Crores:



**Revenue -2017**  
₹ 158.21



**Revenue -2016**  
₹ 170.28



## CHAIRMAN'S SPEECH



### ***Dear Valued Shareholders of EdCIL***

On behalf of EdCIL India Limited and its Board of directors, I extend a warm welcome to each one of you at the 36<sup>th</sup> Annual General Meeting of the Company.

I thank you all for sparing your valuable time to be here. Your presence here is a testimony of your faith in us and this inspires the company to achieve newer milestones of success.

The notice convening the meeting, the Director's Report and the Audited Annual Accounts are already with you, and with your permission, I take them as read.

### **Global Economy**

This year, the global economy faced considerable uncertainty in the aftermath of major economic and political developments. As per the statistics reported in "*The Global economy-IMF World economic outlook, April 2017*", the International Monetary Fund

(IMF) estimated that world GDP grew by 3.1% in FY'16 and 3.4% in FY'17 and will grow by 3.6% in FY'18. The advanced economies are expected to increase their growth from 1.6% to 1.9% and the emerging economies from 4.1% to 4.5% in FY 18.

## Indian Economy

India remains one of the fastest growing economies in the world with a forecast of real GDP growth accelerating to 7.3% in FY18 from 6.6% in FY17 (GVA basis). Sustained low inflation, low petroleum prices, falling fiscal deficit, low current account deficit, and a stable currency have created a positive environment for economic growth. Implementation of Goods and Services Tax (GST) which has led to a unified tax regime, coupled with the Central Government's thrust on areas, such as power, infrastructure, and affordable housing, should help accelerate India's growth rate closer to 8% in the medium term.

## Education Sector in India:

To achieve the sustained double digit growth planned, the government has realized the need for mass education to be qualitatively improved and India's higher education institutions to be competitive, and on par with global standards. Public expenditure on Indian education as a share of GDP increased from 3.1 percent in 2006 to 4.13 percent in 2014 but this has been on a decline for past three years dipping to 3.65 in 2016-17 with the revised budget estimate being 3.71% for the year 2017-18. Since 2016-17, the government has rejigged the sharing pattern of central schemes in key sectors,

including secondary and higher education, with lower outlays in the Budget and more direct transfers in keeping with the 14th Finance Commission's recommendation.

The Education sector today is faced with great opportunities and we being the only CPSE are striving to become an agent of transformation of the sector with your valuable support.

## Operational Performance of EdCIL

Your company realized the high potential of synergy between project management and consulting and the large opportunity of leveraging of IT enabled solutions in the education sector. The phenomenal opportunities and subserviced demand in the education sector coupled with the plateauing of revenue growth witnessed by the company led us to commence on a transformational journey two years ago for taking revenues to new heights.

The result of this transformational journey has resulted in EdCIL's revenue growing at 14.51% CAGR between the years FY 2011-12 to FY 2016-17. PBT in the comparable period increased at 65% CAGR. The work is in progress.

The year 2016-17 marked a consolidation in company's business performance in the backdrop of enhanced revenue and profitability figures which more than doubled over the previous year during FY 15-16. This was done by tapping the unrealized potentials in each of the verticals resulting in bagging of several IT/ICT projects which the company believed will

be the real game changer vis-à-vis India's education sector, launching of the "Study in India" platform and taking the count of candidates serviced as part of the online testing vertical to above 1.5 million. During FY 16-17, the Company saw consolidation of the procurement vertical with enhanced orders for IT, Lab equipment and furniture being received.

The Company also bagged its biggest overseas ICT order for supply and installation of educational tablets worth USD 12 million to Government of Mauritius. The company has created a sizeable procurement vertical with domestic orders growing at a steady rate. Overall, the company has presently built up an impressive order book of approximately ₹ 278 crore. Although, building up vertical wise specialist teams poses to be the biggest challenge, the company is preparing itself for a further turnover leap based on a more diversified business portfolio during FY 17-18.

## Dividend

The company paid an all time high dividend of ₹ 10 crores during FY 15-16. The Board of Directors of the Company has recommended an equal final dividend of ₹ 500/- per share (of face value of ₹ 100/- per share) for the FY 2016-17 amounting to ₹ 10 crores excluding dividend distribution tax. The payment of final dividend is, however, subject to approval of the shareholders in the ensuing Annual General Meeting of the Company. After payment of this Dividend, the accumulated pay out towards Dividend to Ministry of Human Resource Development, Government of India, would be ₹ 40.35 crore.

## The Road Ahead

In the times to come, the company aspires to leverage the large opportunities unfolding in the education sector and create high impact transformation in the sector. For this transformation, a five year medium term strategy has been created which is aimed at growing the company to a ₹ 1500 crore entity by 2022 with a clear roadmap.

The entire end to end processes of the company have since been revisited and being revamped including introduction of ERP. The HR policy has been fully revamped. Several other process changes are underway.

Additional quality manpower hiring has commenced. A business development team has been put in place. This is work in progress and more is envisaged.

## Corporate Social Responsibility

The Company spent more than what was required as per the statute for CSR activities.

The amount spent was planned and executed in accordance with the framework suggested and approved in the CSR committee meetings held from time to time. A detail of amount spent is as follows:

₹ (in crores)

CSR Expenditure	Mar-17	Mar-16
(a) Gross amount required to be spent by the Company during the year	0.45	0.20
(b) Amount spent during the year on:		
Procurement of study materials for kalinga institute for Social sciences for school students	-	0.04



₹ (in crores)

CSR Expenditure	Mar-17	Mar-16
Distribution of artificial limbs/aids to handicapped people of jind	-	0.22
Swacch Bharat, Government of India	0.16	-
Enhancement of sports education by supporting two tribal sisters who won six gold medals, Support provided to Sport Authority of Gujarat for Luladiya institute high school.	0.10	-
RAN-HMCPF, ministry of Health & family Welfare, Govt. of India	0.10	-
Disabled Regain Mobility & Dignity, BMVSS	0.10	-
Amount left unspent	NIL	NIL

## Corporate Governance

During the year the Company has been awarded by Department of Public Enterprises (DPE) for its excellence in Corporate Governance.

The Board of Directors met four times a year, the details of which are given in the Corporate Governance Report annexed to the Directors' Report. The intervening gap between any two meetings is within the period prescribed under Companies act, 2013 and DPE Guidelines on Corporate Governance.

The company filled up the vacancies of two independent Directors during FY 16-17 and has processed a proposal for creation of an additional post of a functional Director to further augment the process of Corporate Governance.

## Awards and accolades:

Based on past three years' exemplary performance, the Company was during FY 16-17 upgraded by MHRD to a Mini Ratna "Category-1", CPSE status. Further, based on achievement against "MOU" parameters, the Company was rated "excellent" by DPE during FY 15-16. The company also received an award for "Excellence in Cost Management" by ICWA during FY 16-17.

## Human Resources

The regular employee count of the Company increased from 79 as at March 31, 2016 to 97 as at March 31, 2017. The Employee mix of the Company got improved with emphasis on recruitment of younger managerial and specialist employees. The company is in touch with the administrative Ministry to increase the sanction limit of the employees to increase the workforce across the verticals so as to create a long term pipeline of know-how and expertise.

Being a project management and consulting company, employees are considered to be the biggest assets. Accordingly, several steps have been initiated to streamline monetary perks, training, employee engagement processes etc. This is expected to enhance motivation, attract and retain better talent in future.

At the end, I would like to thank all our shareholders for their unstinted support. I am sure that we shall continue to have their support and encouragement in the coming years.

## Acknowledgements

The Board of Directors would like to express its sincere appreciation of the dedicated efforts made and valuable services rendered by the members of the EdCIL team in contributing to the company's achievements during the year 2016-17.

On behalf of the Board of Directors, I extend my 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 other

stakeholders. I also express my sincere thanks to the Directors on the Board for their continuing suggestions and valuable contribution to the growth of the Company.

My special thanks to CAG, the tax authorities, bankers, clients and vendors, alliances, auditors, shareholders and all of you present for continued confidence in us.

We now move the Annual Accounts for adoption.

For and on Behalf of the Board

Sd/-

**Diptiman Das**

Chairman and Managing Director



## THE AWARDS, ACCOLADES AND EVENTS IN THE YEAR GONE BY:

Continuing its growth momentum and operational excellence, EdCIL won several awards and accolades. The major awards, accolades and events which took place are as under:



EdCIL Received 14<sup>th</sup> ICAI National Award

EdCIL was presented with the 14<sup>th</sup> ICAI National Award for Excellence in Cost Management 2016 by Shri Piyush Goyal, Hon'ble Minister of State for Power, Coal, New & Renewable Energy and Mines. EdCIL secured the first place in the Consulting and Others category.



EdCIL at 4<sup>th</sup> Governance now PSU Awards

The Company received the "4<sup>th</sup> Governance Now PSU Award for HR Initiative", from Shri Ram Vilas Paswan ji, Hon'ble Union Minister, Consumer Affairs, Food and Public Distribution.



CMD EdCIL receiving Dalal Street Award

EdCIL was awarded with the "Dalal Street" Investment Journal citation. The Company was adjudged as one of the fastest growing Miniratnas in the category "Non-Manufacturing" having doubled its total income from ₹ 78 crore in FY 14-15 to ₹ 175 crore in FY 15-16.



EdCIL at 50 top PSU Organisations Award

The Company was honored with the TIMES ASCENT award for being one of the Top 50 PSU Organizations with Innovative HR practices for FY 15-16.



To promote sense of belongingness amongst the employees, the Company organized events like Women's Day, Independence Day, Yoga Day, Hindi Pakhwada, Vigilance Week, Swacch Bharat Week etc with the collaboration and support of all the employees.



Women's Day Celebration at EdCIL

EdCIL celebrated International Women's Day on 8<sup>th</sup> March, 2017. The celebration involved participation of all women employees in a meeting addressed by Shri Diptiman Das, CMD. There were other events organized including filming of movies featuring women role models, discussions and distribution of gifts.



Independence Day

All the employees celebrated the 70<sup>th</sup> Independence Day of the country on 15<sup>th</sup> August, 2016 in its Corporate Office in Noida where in the Chairman & Managing Director, hoisted the National Flag amidst the singing of the National Anthem.





Hindi Pakhwada

EdCIL (India) Ltd. observed the Hindi Pakhwada from 14<sup>th</sup> – 29<sup>th</sup> September 2016. Shri Diptiman Das, CMD, EdCIL was the Chief Guest of the prize distribution and closing ceremony. He jointly lighted the lamp alongwith other senior officials. All Senior Executives and employees attended the function. Prizes were given away to the winners for several competitions covering Rajbhasha Drafting, Essay, Speech, Poem Recitation and quiz.



Vigilance Week

To promote vigilance and strengthen the vigilance mechanism, Vigilance Awareness Week was observed from 31<sup>st</sup> October to 4<sup>th</sup> November, 2016. The closing ceremony was held on 4<sup>th</sup> November, 2016 wherein Sh. Vinod Kumar, Executive Director (Vigilance) (T), Railway Board graced the occasion as Chief Guest.



EdCIL's AGM

The 36<sup>th</sup> Annual General Meeting (AGM) of the Company was held on 26<sup>th</sup> September at Shastri Bhawan, New Delhi.

Shri Diptiman Das, CMD outlined the achievements of the company during FY 17 in the presence of Shri K.K. Sharma, Secretary (Higher Education), Additional Secretary (HE) and other senior officials from MHRD and EdCIL.





Smart classroom

DES division of EdCIL (India) Limited was awarded the work of procurement, installation and imparting trainings to the teachers for providing boost to the education sector in line with the flagship "Smart classroom" project under the Arunachal Pradesh Chief Minister's Adhunik Shiksha Yojana at the Govt Higher Secondary School.

In the first phase, 713 government-run schools across the State including 100 higher secondary, 182 secondary, 178 upper primary and 253 primary schools are been covered.

CM Prema Khandu appreciated the efforts of EdCIL and State Education Department for creating a rich content of information in the K-Yan device as the teaching aid for students from Kindergarten to Class XII.



Illustrative picture of a K-Yan



EdCIL representatives at "Joint Working Group on Education and Culture" held at Kabul, Afghanistan

The first Joint working group meeting between EdCIL representatives and Afghan Ministry took place in Kabul, Afghanistan on 20<sup>th</sup> June 2016 which mainly focused on how EdCIL can contribute towards additional pre-placement courses for the Afghan students. It was brought out that in addition to the existing arrangement of placement of Afghan students in NAAC A colleges in India, EdCIL can contribute towards arranging English language and skill development course for Afghan students.

EdCIL has MOUs for placement of students with different countries including Nepal, Bhutan and Afghanistan.



EdCIL team with Ministry of Education and Human Resource, Tertiary Education and Scientific Research, Government of Mauritius.

EdCIL bagged a large order from the Government of Mauritius for the supply of 26, 800 educational tablets, along with content and software to all the first and second standard students in Mauritius.





Site Visit pictures of "River Research Institute- Haringhata, West Bengal"

River Research Institute approached EdCIL for preparation of DPR to upgrade the Institute to grant postgraduate degree in the field of, river engineering, hydrologic & hydro-informatics etc.

The scope of the work included the preparation of a Detailed Project Report for up-gradation of the River Research Institute into degree awarding Institute by re-defining of (i) the vision, mission, and objectives of the Institute (ii) Detailed Academic Plan (iii) Human Resource Plan (iv) Infrastructure Plan (v) Financial Plan and (vi) Governance Plan.



Site pictures of "KHS Agra"

The construction and procurement for auditorium within the campus of "KHS-Agra" is ongoing and shall be successfully completed within the FY 2017-18. The same is being delivered single handedly by EdCIL team.





# *Management's Report*



## NOTICE

Notice is hereby given that the 36th Annual General Meeting (AGM) of the members of Company will be held on as per the schedule given below:

Day & Date	Tuesday, the 26 <sup>th</sup> September 2017
Time	1300 Hrs
Venue	Office of Secretary, Higher Education, Ministry of Human Resources Development, Shastri Bhavan, New Delhi.

To transact the following business:

### **Ordinary Business:-**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2017 and Statement of Profit & Loss Account of the Company for the year ended on that date, Cash Flow Statement together with the Reports of Statutory Auditors and the Board of Directors thereon and the comments of the Comptroller and Auditor General of India thereon.
2. To declare Dividend for the year ended 31<sup>st</sup> March 2017.
3. To increase the Fees of the Statutory Auditors of the Company w.e.f the Financial Year 2016-17.
4. To increase the Authorized Share capital of the Company from existing ₹ 2,00,00,000 (Rupees Two Hundred Lakh) divided into 2,00,000 (Two Lakh) Equity Shares of ₹ 100 (Rupees Hundred only) each to ₹ 20,00,00,000 (Rupees Twenty Crores) divided into 20,00,000 (Twenty Lakh) Equity Shares of ₹ 100 (Rupees Hundred only) each.

### **Special Business**

1. Adoption of new set of Articles of Association and Memorandum of Association as per new Companies Act 2013.

**By order of the Board**  
For EdCIL (India) Limited



(Sandeep Goel)  
Chief General Manager (Finance) & CS

**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. All documents regarding the matter of Notice shall be open for inspection at the Registered Office of the Company during normal business hours (9 A.M. to 6 P.M.) on all working days except Saturdays and Sundays, up to and including the date of the Annual General Meeting of the Company.

To:

1. All the shareholders of the Company
2. Statutory Auditor of the Company
3. All Directors of Company

## DIRECTORS' REPORT

To

The Shareholders

EdCIL (India) Limited

Dear Members,

Your Directors have great pleasure in presenting the 36<sup>th</sup> Annual Report for the financial year ended March 31, 2017 along with Audited Statement of Accounts, the Auditors' Report and Review of the Accounts by the Comptroller and Auditor General of India.

### 2016-17 in Retrospect

#### A. Financial Review:

The year marked consolidation in company's business performance as the achieved revenue and profitability figures reached close to the all time high figures reached during FY 15-16.

The key highlights of the financial performance of the Company for the year, as stated in the audited financial statement, along with the corresponding performance for the previous year are as under:

#### Financial Performance

(Amounts in lakhs unless stated)

Particulars		For the Year ended March 31, 2017	For the Year ended March 31, 2016	Variance	
				Absolute	Relative
Revenues					
Revenue from operations	(A)	15,821.83	17,028.17	-1,206.34	-7%
<b>Direct Expenses</b>					
Project Expenditure		9,344.95	10,994.82	-1,649.87	-15%
Purchase of Stock-in-Trade		2,332.48	50.47	2,282.01	4522%
Changes in inventories		(2,043.30)	74.64	-2,117.94	-2837%
Employee benefit expense		1,465.66	1,383.73	81.93	6%
<b>Total</b>	<b>(B)</b>	<b>11,099.79</b>	<b>12,503.67</b>	<b>-1,403.88</b>	
<b>Profit from Operations</b>	<b>(C)</b>	<b>4,722.04</b>	<b>4,524.50</b>	<b>197.54</b>	<b>4%</b>
<b>Indirect Expenses</b>					
Depreciation and amortization expense		42.10	34.96	7.14	20%
Other expenses		904.16	296.07	608.09	205%



**Financial Performance**

(Amounts in lakhs unless stated)

Particulars		For the Year ended March 31, 2017	For the Year ended March 31, 2016	Variance	
				Absolute	Relative
Corporate Social Responsibility Expenditure		46.20	20.52	25.68	125%
<b>Total</b>	<b>(D)</b>	<b>992.46</b>	<b>351.55</b>	<b>640.91</b>	
Indirect Incomes	(E)	1000.04	527.80	472.24	89%
<b>EBITA</b>		<b>4,729.62</b>	<b>4,700.75</b>	<b>28.87</b>	<b>1%</b>

**Segment Analysis**

(Amounts in lakhs unless stated)

Particulars		Year ended 31 March 2017	Year ended 31 March 2016
(A)	Revenue from external customers on the basis of business segments		
	Online Testing and Assessment Services	10,469.42	10,235.12
	Technical Support Group	3,195.54	4,229.02
	Others	2,156.89	2,564.03
		<b>15,821.85</b>	<b>17,028.17</b>
(B)	Expenses on the basis of business segments		
	Online Testing and Assessment Services	5,131.20	5,364.06
	Technical Support Group	2,831.00	3,758.23
	Others	1,671.94	1,997.65
		<b>9,634.14</b>	<b>11,119.94</b>
(C)	Net Result of the business segments identified		
	Online Testing and Assessment Services	5,338.22	4,871.06
	Technical Support Group	364.54	470.79
	Others	484.95	566.38
	<b>Net Operating profits</b>	<b>6,187.71</b>	<b>5,908.23</b>
	Other Incomes	1,000.04	527.80
	Unallocated Expenses	2,458.14	1,737.55
	<b>Net Profits before tax</b>	<b>4,729.61</b>	<b>4,698.51</b>
	Provision for taxation/ Deferred tax	1,883.53	1,601.86
	<b>Profits after tax</b>	<b>2,846.08</b>	<b>3,096.63</b>

**Dividend:**

The Board of Directors of the Company has recommended a final dividend of ₹ 500/- per share (of face value of ₹ 100/- per share) for the financial year 2016-17 amounting to ₹ 1000 lakhs excluding dividend distribution tax. The payment of final dividend is, however, subject to approval of the shareholders in the ensuing Annual General Meeting of the Company. After payment of this Dividend, the accumulated pay out towards Dividend to Ministry of Human Resource Development, Government of India, would be ₹ 4035 lakhs.

## B. Operational Review

The Company consolidated the doubling of growth registered during FY 15-16 and managed to maintain the revenue heights it achieved in the previous year. The revenues crossed the mark of ₹ 15,000 lakhs consecutively for the second year in a row.

In the current year, the company achieved net profit before tax of ₹ 4,728.65 lakhs with turnover of ₹ 15,821.83 lakhs as compared to ₹ 4,698.50 lakhs with a turnover of ₹ 17,028.17 lakhs in the previous year.

Online testing and assessment division continued to be the mainstay of the operations of the Company. The services offered by the division include selection of personnel by conduct of online computer based tests at major and remote locations across the country spanning more than 100 cities. The sectors covered ranged from Aviation, Railway, coal, Education, Financial Services and Power Utilities. The Company entered into MOU's with number of clients including AIIMS, DFCCIL and ESIC. About 1.5 million candidates appeared at online tests conducted by the company. The vertical supports the theme of "digital India" launched by Hon'ble Prime Minister.



The strategy under Digital Education Services which was conceptualized last year took off during the year adding a token amount of ₹ 4.5 lakhs to the turnover.

The Company has increased its focus on ICT Education including networking of institutions, virtual classrooms, Digitization, Smart Classrooms, open learning etc. and taking up more turnkey projects in educational infrastructure space. The effort is likely to yield higher revenue during the coming years.

Procurement services proved to be a growing vertical with a steady increase in the order book being built. The Company diversified its product mix supplied under Education Procurement division bringing into the ambit furniture and fixtures including IT and lab equipments etc.

The Turnover from administration & advisory business was ₹ 880.46 lakhs. Sectors including Education, Aviation, Railways, MSME and Commerce were brought under the ambit of the vertical.

Promotion of Indian Education overseas continued to remain one of the key focus areas for the Company. To enhance the market share of overseas students under the "Study in India" campaign Educational Fairs were conducted in Nepal, Bhutan, Malaysia and Sri Lanka. The revenue from the division increased by ₹ 88.66 lakhs as compared to the previous year.

## C. Meetings of Directors

The Details changes in the composition of the BOD have been covered in the report on Corporate Governance placed at "Annexure -I".

During the year, Board of Directors met four times, the details of which are given in the Corporate Governance Report annexed to

this Report. The intervening gap between any two meetings was within the period prescribed under Companies act, 2013 and DPE Guidelines on Corporate Governance. The company was categorized as "excellent".

#### **D. Extract of annual return**

The same has been placed at "Annexure II".

#### **E. Directors' Responsibility Statement**

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) The directors have taken proper and sufficient care for the 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) The directors have prepared the annual accounts on a going concern basis; and
- (e) The directors, have laid down internal financial controls to be followed by

the company and that such internal financial controls are adequate and were operating effectively.

- (f) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **F. Declaration by the Independent Directors**

In terms of section 149(7) of the Companies act, 2013, necessary declaration has been given by each Independent Director stating that he/she meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies act, 2013.

#### **G. Statutory Auditors and CAG audit**

The statutory audit has been carried by the auditors appointed by Comptroller and Audit General. The replies to the comments and qualifications issued by them are placed at "Annexure III"

- H. No loans, guarantees or arrangements were entered with any parties mentioned under section-186 of the Companies act 2013.
- I. Management Discussion and Analysis: Management Discussion and Analysis report has been placed at "Annexure IV"
- J. There are no material changes and commitments which have occurred between the end of financial year to which the financial statements relate and the date of report on the same.

- K. The Company has a risk management policy in place which helps in identification of elements of risk which may threaten the existence of the Company.
- L. The Company has spent ₹ 46 lakhs towards Corporate Social Responsibility. The details of the same have been included in the “Annexure V”.
- M. Conservation of energy, technology absorption, foreign exchange earnings and outgo:
- The Company focused on conservation of energy and technology absorption by using energy produced by the installed solar modules and adopting of technology of video conferencing, introducing e-tendering and e-office and moving gradually towards ERP implementation.
  - The Company has hired two globally acclaimed consultancy firms to implement “Medium term strategy” and “ERP”. While medium term strategy incorporates several process changes including designing standard operating processes. ERP implementation includes Business Process Reengineering (BPR) to improve cost management to optimize costs.
- N. The Company proposes to carry 10% of Profit after taxation to General reserve and 1% of the Profit after taxation to Staff welfare fund.
- O. Achievement against MOU targets for the year 2016-17 has been placed at “Annexure VI”
- P. **Vigilance Mechanism:**
- The Company lives up to its commitment to be recognized as a highly ethical and transparent entity. To meet this, regular vigilance initiatives including preventive vigilance were carried out with emphasis on systems improvement. Shri PKS Shishodia took over the charge of part time Chief Vigilance Officer w.e.f. January 03, 2017.





# *Annexures to Directors' Report*



## **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 The Approved Composition of the Board of Directors of EDCIL is as follows:

- Chairman and Managing Director.
- One Nominee of Ministry of Human Resources 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 Chairman & 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 requested the Ministry of Human Resource Development to fill up the vacancies of two independent Part Time Directors. Additionally, based on Minutes of 152<sup>nd</sup> meeting of Board of Directors dated 30.03.2017, the Company proposed creation of a post of Director (Commercial) at Board level to enhance the corporate governance level of the Company

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

During the financial year 2016-17, the Board of Directors met four times to transact the business and have complied with the provisions of Companies act, 2013 read with the DPE guidelines relating to Board Meetings. In all cases of absence of Director, Leave of Absence was granted under clause (b) of sub section (1) of section 167 of the Companies

act. 2013. The meetings of the Board of Directors of EdCIL were held on following dates as mentioned below:

S.No.	Meeting No.	Dates
1	149 <sup>th</sup> Meeting	10 <sup>th</sup> May, 2016
2.	150 <sup>th</sup> Meeting	19 <sup>th</sup> July, 2016
3.	151 <sup>st</sup> Meeting	15 <sup>th</sup> November, 2016
4.	152 <sup>nd</sup> Meeting	17 <sup>th</sup> March ,2017

Name of Director	149 <sup>th</sup>	150 <sup>th</sup>	151 <sup>st</sup>	152 <sup>nd</sup>
Sh. Diptiman Das	Yes	Yes	Yes	Yes
Smt. Malathi Narayanan MHRD Nominee	Yes	Yes	Yes	Yes
Mrs. Nutun Kapoor Mahawar, MEA Nominee	No	No	No	Relived on 31.01.2017
Sh. Dinkar Asthana, MEA Nominee	Joined on 01.02.2017			Yes
Mrs. Lata Vaidyanathan, Independent Director	Yes	Yes	Relived on 18.08.2016	
Prof. Anil Kumar Gupta	No	Yes		
Prof. E Vayunandan	Joined on 07.02.2017			No
Dr. Harshad A Patel	Joined on 07.02.2017			Yes

2.4 Statement of sitting fees paid to independent Directors for Board Meetings during F. Y. 2016-17.

Name of Director	149 <sup>th</sup>	150 <sup>th</sup>	151 <sup>st</sup>	152 <sup>nd</sup>	Total
Mrs. Lata Vaidyanathan	10000	10000	-	-	20000
Prof. Anil Kumar Gupta	-	10000	-	-	10000
Prof. E Vayunandan	-	-	-	-	-
Dr. Harshad A Patel	-	-	-	10000	10000

### 3. Audit Committee & Remuneration Committee

The Provision of Companies act 2013 and guidelines on Corporate governance for CPSEs, requires the segregation of earlier constituted combined Audit & Remuneration committee into separate Board level sub-committees as Audit committee and Nomination & Remuneration committee with prescribed set of responsibilities specially focused on

positive affirmations of the adequacy and effective working of systems. These two separate sub-committees have already been constituted. Due to the change in the nomination of Ex-officio Director of MEA and appointment of Non-official part time Directors, the Committees was reconstituted vide Board Resolution in the 152<sup>nd</sup> Meeting of Board of Directors.

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

- One Independent Director as Chairperson of the Audit Committee.
- One Independent Director as Member.
- One Nominee Director of MHRD as Member.

### 3.2. a) Attendance of Members at Audit / Remuneration Committee Meetings till 16<sup>th</sup> march 2017 and Audit Committee meeting thereafter:

	Till 16 <sup>th</sup> , March, 2017 (Audit & Remuneration Committee)			After 16 <sup>th</sup> March, 2017 (Audit Committee)
S. No. & Date of Meeting	9 <sup>th</sup> Meeting (Adjourned Meeting) (13 May 2016)	9 <sup>th</sup> Meeting (25 May 2016)	10 <sup>th</sup> Meeting (19 July 2016)	11 <sup>th</sup> Meeting (17 March 2017)
<b>Director Present/ Absent</b>				
Smt. Lata Vaidyanathan (Chairman till 10 <sup>th</sup> Meeting)	Yes	Yes	Yes	Relived on 18.08.2016
Smt. Malathi Narayanan (Member)	No	Yes	Yes	Yes
Prof. Anil Kr. Gupta (Member since 18.08.2016)	No	No	Yes	Relived on 18.08.2016
Smt. Nutun Kapoor Mahawar (Member till 31.01.2017)	No	No	No	NA
Prof E Vayunandan (Chairman since 07.02.2017)	Joined on 07.02.2017			No
Dr. Harshad A Patel	Joined on 07.02.2017			Yes



**b) Attendance of Members at Nomination & Remuneration Committee Meeting (constituted on 17.03.2017)**

	<b>Till 16<sup>th</sup>, March, 2017 (Nomination &amp; Remuneration Committee)</b>	<b>After 16<sup>th</sup> March, 2017 (Nomination &amp; Remuneration Committee)</b>
<b>S.No. &amp; Date of Meeting</b>	<b>NA</b>	<b>1st Meeting (17.03.2017)</b>
<b>Director Present/ Absent</b>		
Dr. Harshad A Patel (Chairman of Committee)	<b>NA</b>	Yes
Smt. Malathi Narayanan (Member)		Yes
Prof E Vayunandan (Member)		No

**3.3(a) Statement of sitting fees paid to independent Directors Members of Audit & Remuneration Committee till 16<sup>th</sup> March 2017 and Audit Committee thereafter during FY-2016-17.**

	<b>Till 16<sup>th</sup> March (Audit &amp; Remuneration Committee)</b>			<b>After 16<sup>th</sup> March 2017 (Audit Committee)</b>	
<b>Name of Director</b>	<b>9<sup>th</sup> Meeting (Adjourned Meeting )</b>	<b>9<sup>th</sup> Meeting</b>	<b>10<sup>th</sup> Meeting</b>	<b>11<sup>th</sup> Meeting</b>	<b>Total (in Rs)</b>
Mrs. Lata Vaidyanathan	5000	5000	5000	-	15000
Prof. Anil Kr. Gupta	-	-	5000	-	5000
Prof. E Vayunandan	-	-	-	-	-
Dr. Harshad A Patel	-	-	-	5000	5000

### 3.3(b) Statement of sitting fees paid to Independent Directors as Members of Nomination & Remuneration Committee during F.Y. 2016-17 (constituted on 17.03.2017)

	Till 16 <sup>th</sup> March (Nomination & Remuneration Committee)	After 16 <sup>th</sup> March 2017 (Nomination & Remuneration Committee)	
Name of Director	NA	1st Meeting	Total (in Rs)
Dr. Harshad A Patel (Chairman)	NA	5000	5000
Mrs. Malathi Narayanan (Member)		5000	5000
Prof. E Vayunandan (Member)		-	-

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

S. No	Name of the Directors	Salary & Allowances	Other Benefits & Perks	Performance Related Pay**	Retirement Benefits	Bonus/ Commission / Ex-gratia	*Total
1.	Sh. Diptiman Das	23.15	4.77	7.86	-	-	35.78

\*Period from 01.04.2016 to 31.03.2017.

\*\*DPE has rated the company as excellent. As per extant rules, PRP provisionally drawn at one level lower till finalization of APAR by MHRD.

## 5. General Meetings

### 5.1 Annual General Meetings (AGM)

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
33 <sup>rd</sup> AGM for F.Y 2013-14	Office of Secretary (Higher Education), MHRD, Shastri Bhavan, New Delhi.	29.12.2014	1000 Hrs
34 <sup>th</sup> AGM for F.Y. 2014-15	Office of Secretary (Higher Education), MHRD, Shastri Bhavan, New Delhi.	27.11.2015	1600 Hrs
35 <sup>th</sup> AGM for F.Y. 2015-16	Office of Secretary (Higher Education), MHRD, Shastri Bhavan, New Delhi.	28.09.2016	1530 Hrs

Detail of special resolutions passed in the previous three AGMs.

AGM	Year	Subject Matter of the Special Resolution	Date
33 <sup>rd</sup>	2013-14	No Special Resolution Passed	29.12.2014
34 <sup>th</sup>	2014-15	No Special Resolution Passed	27.11.2015
35 <sup>th</sup>	2015-16	No Special Resolution Passed	28.09.2016

## 6. Code of Business Conduct and Ethics

The Company has in place a 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.

## 8. Orientation/ Exposure to Board Members

In order to acquaint the Board Members with best practices in Corporate Governance, presently the Corporation has adopted the process 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 (MoU) and MoU targets and achievements. This provides the basic information about the Company to the incumbent.

## 9. Whistle Blower Policy

Under the Corporate Governance initiative, a Whistle Blower Policy, in accordance with CVC policy, has been adopted by the Corporation during the Financial Year 2016-17. The policy ensures that a genuine Whistle Blower is granted due protection from any victimization.

## 10 Corporate Governance 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.

## FORM No. MGT-9

### EXTRACT OF ANNUAL RETURN AS ON FINANCIAL YEAR ENDED ON 31.03.2017

*[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12 (1) of the Companies (Management and Administration) Rules, 2014]*

#### I. REGISTRATION AND OTHER DETAILS:

i.	CIN	U74899DL1981GOI011882
ii.	Registration Date	17/06/1981
iii.	Name of the Company	EDCIL (INDIA) LIMITED
iv.	Category/Sub-Category of the Company	Company limited by Shares Govt. Company
v.	Address of the Registered office and contact details	5 <sup>th</sup> Floor, Vijaya Building, Barakhamba Road, New Delhi. 110001 Ph.: 0120-2512001-06
vi.	Whether listed company	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	NA

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Education Service (Online Testing & Recruitment Service)	9992	77%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
NIL					



## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during The year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
<b>1) Indian</b>	-	-	-	-	-	-	-	-	-
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	200000	200000	100	-	200000	200000	100	-
c) State Govt. (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other									
<b>Sub-total(A)(1):-</b>		<b>200000</b>	<b>200000</b>	<b>100</b>	-	<b>200000</b>	<b>200000</b>	<b>100</b>	-
<b>2) Foreign</b>	-	-	-	-	-	-	-	-	-
g) NRIs-Individuals	-	-	-	-	-	-	-	-	-
h) Other-Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corp.	-	-	-	-	-	-	-	-	-
j) Banks / FI	-	-	-	-	-	-	-	-	-
k) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total(A)(2):-</b>	-		-	-	-	-	-	-	-
<b>B. Public Shareholding</b>	-	-	-	-	-	-	-	-	-
<b>1. Institutions</b>	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt. (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total(B)(1)</b>	-		-	-	-	-	-	-	-
<b>2. Non Institutions</b>									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
(i) Indian									
(ii) Overseas									

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during The year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals	-	-	-	-	-	-	-	-	-
(i) Individual shareholders holding nominal share capital upto ₹1 lakh									
(ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh									
c) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	<b>200000</b>	<b>200000</b>	<b>100</b>		<b>200000</b>	<b>200000</b>	<b>100</b>	-

## ii. Share holding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the Year			Shareholder's Name	Shareholding at the end of the Year			% Change in Shareholding during the Year
		No. of Shares	% of the Total Shares of the Company	% of Shares pledged/encumbered to total shares		No. of Shares	% of the Total Shares of the Company	% of Shares pledged/	
1	President of India	199985	99.99250	-	President of India	199988	99.99400	-	0.00150
2	Sh. Vinay Sheel Oberoi, Secretary (HE)	3	0.00150	-	Sh. Kewal Kumar Sharma, Secretary (HE)	3	0.00150	-	0.00000
3	Sh. R Subrahmanyam, Additional Secretary (TE)	3	0.00150	-	Sh. R Subrahmanyam, Additional Secretary (TE)	3	0.00150	-	0.00000
4	Sh. Shashi Prakash Goyal, Joint Secretary (TEL)	3	0.00150	-	Smt. Darshana M Dabral, JS & FA	3	0.00150	-	0.00000
5	Smt. Darshana M Dabral, JS & FA	3	0.00150	-	Smt. Malathi Narayanan, Deputy Secretary (TC)	3	0.00150	-	0.00000
6	Smt. Malathi Narayanan, Deputy Secretary (TC)	3	0.00150	-	-	-			
	<b>Total @ ₹ 100/- each</b>	<b>200000</b>	<b>100.000</b>	-		<b>200000</b>	<b>100.00000</b>		

### iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year	2,00,000	100	2,00,000	100
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	2,00,000	100	2,00,000	100

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
Change in Indebtedness during the financial year				
• Addition				
• Reduction				
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and /or Manager

Sl. No.	Particulars of Remuneration	CMD Sh. DIPTIMAN DAS	Key managerial Personnel	Total Amount
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2315000	-	2315000
	(b) Value of perquisites/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	786000	-	786000
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission • as % of profit • others, specify...	-	-	-
5.	Others, please specify	477000	-	477000
6.	<b>Total(A)</b>	<b>3578000</b>	<b>-</b>	<b>3578000</b>
	Ceiling as per the Act (see note below)			

### B. Remuneration to the Other directors:

Sr. No.	Particulars of Remuneration	Name of Independent Director			Total Amount (Amount in ₹)
		Mrs. Lata Vaidyanathan	Prof. Anil Kumar Gupta	Dr. Harshad A Patel	
1	Independent Directors				
A	Fee for attending board / Committee meetings • Board Meetings • Committee Meetings	20,000 15,000	10,000 5,000	10,000 5,000	40,000 25,000
B	Commission	-	-	-	-
C	Others (Please Specify)	-	-	-	-
	<b>Total(1)</b>	<b>35,000</b>	<b>15,000</b>	<b>15,000</b>	<b>65,000</b>
	Other Non-Executive Directors • Fee for attending board committee meetings • Commission • Others, please specify	- - -	- - -	- - -	- - -
	Total(2)	-	-	-	-
	<b>Total(B) = (1 + 2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>65,000</b>
	Total Managerial Remuneration	-	-	-	65,000
	Overall Ceiling as per the Act	Not Applicable			



### C. Remuneration to Key Managerial Personnel Other Than MD/ Manager/WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission • as % of profit • others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
6.	<b>Total</b>	-	-	-	-
7.	Ceiling as per Act (see note below)				

CMD, EdCIL, is deemed to be CEO of the Company and remuneration are mentioned in Sl. No. VI (A) above.

#### Note

Section 197 of the Companies Act, 2013, is exempt for government companies in terms of the Ministry of Corporate Affairs notification dated 5<sup>th</sup> June 2015.

### VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/Compounding fees imposed	Authority[RD /NCLT/Court]	Appeal made. If any (give details)
<b>A. Company - NA</b>					
Penalty					
Punishment					
Compounding					
<b>B. Directors - NA</b>					
Penalty					
Punishment					
Compounding					
<b>C. Other Officers In Default - NA</b>					
Penalty					
Punishment					
Compounding					

## ADDENDUM TO THE DIRECTOR'S REPORT

Management 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 31<sup>st</sup> March, 2017.

Sl. No.	Comments of Statutory Auditors	Management Replies
1	Balance of trade receivables, trade payables and advances have not been got confirmed from counter parties in many cases but the letter of confirmations by EDCIL have been issued. The financial impact of this non-compliance, if any, could not be determined.	In compliance of SA 505 dealing with auditor's use of external confirmation procedure, the Company had dispatch the letters for confirmation of balances by speed post to all customers and most of the vendors stating clearly that balance confirmation may be sent to company within 7 days of receipt of this letter otherwise the balance will be considered final. In the case of non receipt of the letter, the same can only be treated as confirmation.
2	The Company has not provided for liability towards post-retirement medical cost benefits payable to employees in compliance of "Accounting Standard 15" related to "Accounting for Employee Benefits". The financial impact of the same cannot be ascertained.	<p>The Board of Directors had vide minutes dated 30.03.2017 approved Post retirement medical benefit scheme for its employees. As per the approved scheme, scheme will be administered through an insurance company. Since size of number of retired employees covered by the scheme is very small, the Company was unable to obtain any customized policy from any insurance company in FY 2016-17. So liability not provided for post retirement medical benefit on the basis of actuarial calculation in accordance with Accounting Standard 15 "Accounting for Employee Benefits".</p> <p>But the Company made the provision for the post retirement medical benefits of retired superannuated employees in the year 2016-17 on the basis of premium rate applicable to existing contractual employees which is appropriately disclosed in Note No. 28 (F).</p>

3	<p>Trade Receivables include ₹ 92.16 lakhs (previous year ₹ 95.62 lakhs) which are unsecured and outstanding for more than five years and subject to confirmation. According to the company policy (Refer Note 3.10 of Significant Accounting Policies) trade receivables which are outstanding for more than six years are required to be written off. However, the Company has not written off few of such trade receivable amounting to ₹ 73.79 lakhs. (Previous year 78.22 lakhs).</p>	<p>As per the Company's accounting policy, trade receivables amounting to ₹ 22.73 Lakhs which were due for more than six years and already fully provided are written off in the year 2016-17. Trade receivables amounting to ₹ 73.79 Lakh related to Kendriya Vidyalaya Sanghtan was not written off as management is hopeful for recovery of the same although 100 % provision has already been made in books against this balance.</p>
4	<p>Advances received against projects include ₹ 255.40 Lakhs (Previous Year ₹ 410.20 Lakhs) outstanding for a period of more than five years which have not been confirmed. In our opinion, liability towards this amount has ceased as the projects have already been completed and no claims against this amount have been received. This has resulted in overstatement of liabilities to the extent of ₹ 255.40 Lakhs and understatement of income to that extent (Previous year ₹ 410.20 Lakhs).</p>	<p>The advances which are outstanding for more than 5 years are either against the projects which are under execution or under final settlement. Each case is being taken up with the concerned department and action is taken on many pending advances. It is expected that the position will further improve in the year 2017-18.</p>
5	<p>Provisions include ₹ 155.09 Lakhs (Previous Year ₹ 300.79 Lakhs) payable for a period of more than 3 years. The management has not been able to provide a satisfactory reply for non settlement of the same. In absence of satisfactory reply, it is opined that liabilities are overstated by ₹ 155.09 lakhs and profit of the company is understated to that extent (Previous year ₹ 300.79 Lakhs).</p>	<p>Provision has been made for some disputed cases relating to various projects of Testing, Technical Assistance etc. departments which are under process. Final booking shall be made on outcome of the cases with clients. Efforts are being made to clear the cases as soon as possible. It is expected that the position will further improve in the year 2017-18.</p>

## Management Replies to CAG comments issued on the accounts of EdCIL (India) Limited for the year ended 31<sup>st</sup> March 2017

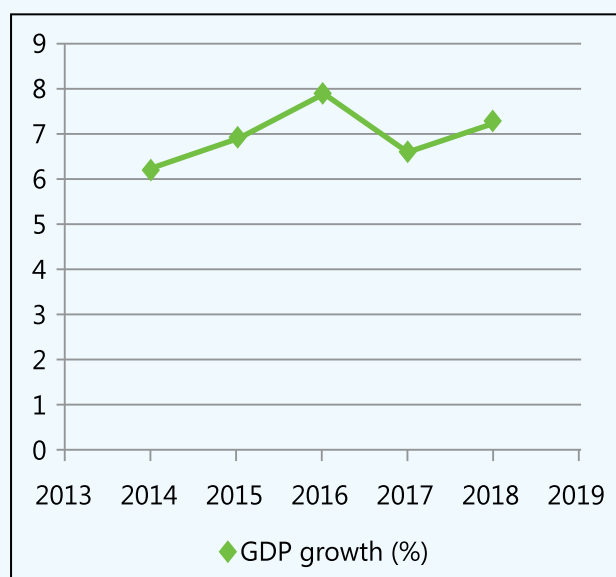
Particulars	Management Reply
<b>Balance Sheet</b>	
<b>Other long term liabilities (Note 6):- ₹ 793.52 lakh</b>	
<b>Advance against projects :- ₹ 645.18 lakh</b>	
<p>The above does not include ₹ 109.72 lakh being the amount payable to Ministry of Human Resource Development (MHRD) against National Project Implementation Unit (NPIU) for the Technical Education Quality Improvement Programme of Government of India. Against the advance of ₹ 997.50 lakh received in February 2013 from MHRD, the Company deposited ₹ 109.72 lakh as service tax in March 2013 and reduced the advance amount received from MHRD by the same amount. MHRD did not agree with the adjustment and stated that service tax on payment of ₹ 997.50 lakh was never agreed upon and therefore amount of service tax will have to be borne by the company. This has resulted into understatement of other long term liabilities (advances against projects) and overstatement of profit for the period by ₹ 109.72 lakh.</p>	<p>An amount of ₹ 997.50 lakh was released by Ministry of Human Resource Development (MHRD) for making payment to the institutes as a reimbursement. However, the service tax amounting to ₹ 109.72 lakh was paid wrongly by the company which was not payable at all as per the provisions of service tax.</p> <p>The Company obtained expert/legal advice/consultation from lawyers and consultants and is of the view that the amount wrongly paid as service tax is recoverable from the department on the basis of following grounds:</p> <p>If amount paid as service tax which is not payable as service tax at all, can be claimed as refund from the department. The same is supported in case of <i>Natraj and Vanket Associates v. ACST</i> (2010) 249 ELT 337=28 VST 525 (Mad HC) and also by <i>Jyotsana D. Patel v. CCE</i> (2015).</p> <p>Further, the company is in process of filing an appeal to the Service Tax Department on the same ground. Since the company could not pursue the amount recoverable in earlier years, the impact was not given in the books of account in the year 2016-17.</p> <p>However, it is hereby assured that the company will account for the necessary financial impact relating to the same during the year 2017-18.</p>

## MANAGEMENT DISCUSSION AND ANALYSIS

### I. World's economy Vis-a Vis India's economy

The world economy is faced with considerable uncertainty, in the aftermath of major economic and political developments during the last one year. As per the statistics reported in "the Global economy-IMF World economic outlook, April 2017" the International Monetary Fund (IMF) estimated that world GDP will grow by 3.1% in 2016, 3.4% in 2017 and 3.6% in 2018. The advanced economies are expected to increase their growth from 1.6% to 1.9% and the emerging economies from 4.1% to 4.5% in F.Y. 2018.

#### Exhibit 1: Growth trends of India's GDP



India remains one of the fastest growing economies in the world despite the temporary slowdown in growth due to

government's decision to withdraw high denomination notes from circulation. High frequency data, such as automobile sales, cement consumption; personal loan growth and exports growth suggest that the economy is gradually recovering from the impact of demonetization. RBI expects real GDP growth to accelerate to 7.3% in FY-18 from 6.6% in FY-17 (GVA basis). Sustained low inflation, falling fiscal deficit, low current account deficit, and a stable currency have created a positive environment for economic growth. Goods and Services Tax (GST) is expected to be fully implemented in India in FY-18. This unified tax regime, coupled with the Central Government's thrust on areas, such as power, infrastructure, and affordable housing should help accelerate India's growth rate closer to 8% in the medium term.

India's macro-economic stability continues to be the foundation of economic success. CPI inflation declined from 6% in July 2016 to 3.4% in December, 2016 and is expected to remain within RBI's mandated range of 2% to 6%. India's Current Account Deficit declined from about 1% of GDP last year to 0.3% of GDP in the first half of FY-2016-17. Foreign Direct Investment (FDI) increased from ₹ 1,07,000 crores in the first half of last year to ₹ 1,45,000 crores in the first half of FY-2016-17. This marks an increase by 36%, despite 5% reduction in global FDI inflows.



## II Education sector trends:

To achieve a sustained double digit growth over next many decades, the Education sector is focused as a key sector and main bed rock of socio-economic growth.

According to a 2016 report by management consulting firm Technopak, India's education market is valued at \$100 billion currently while the digital learning market is estimated at \$2 billion. The online education industry is expected to hit \$1.9 billion by 2021 as per joint report of Google and KPMG. A recent survey conducted by the India Human Development surveys hints towards an improvement in primary school attendance and completion, as more children attend and complete primary school.

Level	All Categories (in thousand)		
	Male	Female	Total
I-XII	134671	124797	259468
Ph.D.	70	48	118
M.Phil.	14	19	33
Post Graduate	1867	1986	3853
Under Graduate	14467	12705	27172
PG Diploma	121	94	215
Diploma	1788	720	2508
Certificate	74	96	170
Integrated	87	55	142
Higher Education Total	18488	15723	34211

**Table 1: Level-wise Enrolment in School & Higher Education**

**Report: Educational statistics-At a glance (Final-2016)**

**Source: mhrd.gov.in**

Public expenditure on Indian education as a share of GDP increased from 3.1% in 2006 to 4.13% in 2014 but this has been on a decline for past three years dipping to 3.65% in 2016-17 with the revised budget estimate being 3.71% for the following year. Since 2016-17, the government has rejigged the sharing pattern of central schemes in key sectors, including secondary and higher education, with lower outlays in the Budget and more direct transfers in keeping with the 14<sup>th</sup> Finance Commission's recommendation.

In India the Gross Enrolment Ratio for higher education is 24% which is in contrast to the close to the 50% for most advanced countries. So, about 71million youth are still out of the higher education system.

The inclusive policies of the government as per the Economic survey 2017-18 focus on skill development and economic empowerment of minorities with schemes like 'Seekho Aur Kamao' (Learn & Earn), Upgrading Skill and Training in Traditional Arts/Crafts for Development (USTTAD) and 'Nai Manzil'- a scheme to provide education and skill training to the youth from minority communities.

As per the sectoral report, May 2017, published by IBEF, in addition to the budget allocation of ₹ 79,685.95 crore, the Government of India has allocated around ₹ 17,000 crores (US\$ 2.55 billion) towards skilling, employment generation, and providing livelihood to millions of youth, in order to boost the Skill India Mission.

### III EdCIL's Profile:



EdCIL India Ltd. is a 100% government owned central Public sector enterprise under the administrative control of Ministry of Human Resource Development, Government of India. The Company is a "MiniRatna, CPSE" and an ISO 9001 certified organization. Based on the sustained financial growth, the company was upgraded to be a "Category-I" Miniratna company during the Financial Year. The Company has been rated as "Excellent" by the Department of Public Enterprises on the basis of MOU ratings during FY-2015-16. The company has been offering project management and consultancy services in all areas of education and human resource development in India and abroad during the last three decades.

With the increase in the allocated budget to education sector by almost 9.9% and announcement of digital education initiative NMEICT (including SWAYAM) to promote virtual courses and education and skills development using technology, new avenues have opened up for the Company's Digital education services. Even higher spend in ICT by State Govt. and Public Institutions open up greater opportunities for the company. While the country undertakes a transformational journey, the company also finds itself at the cusp of high growth for which the initial turnover growth journey has already begun.

### IV Domestic Business:

- **Online Testing & Assessment Services (OTAS)**



Based on two decades of expertise in handling offline recruitment tests, the company switched over to offering online recruitment solutions to bring in higher transparency and efficiency to the system.

Presently, this is the biggest vertical of EdCIL which has during the year received overwhelming market response. The clients

include Central and State Govts, large PSUs and Autonomous bodies etc. The vertical organizes online recruitment tests across multiple segments of employees covering varied sectors of the economy. Being a PSU targeted towards meeting educational needs, the company focuses on organizing online examinations for recruitment of teachers & principals as a specialized service. The Company has rendered critical online recruitment services to organizations covering varied sectors such as Education, Coal, transportation, Labour and Civil Aviation.

#### • **Advisory Services (AS)**

Following key services are offered by the Advisory vertical in the Education (School Chains and Higher education) and HR advisory space:

- Preparation of Detailed Project Reports (DPRs) (Greenfield and Brown field)
- Organization Restructuring (sectoral/institutional)
- Improving Operational Efficiency
- Digitization Planning
- Training Designing
- Impact Assessment (ICT/other schemes)
- Designing of new education schemes
- Education content Design

The Company renders education consulting services for both green field and brown field projects.

#### • **Digital Education Systems (DES)**



The Company strongly believes that digitization will be a game changer in addressing of quality, quantity and governance needs in both Schools and Higher education. The Company accordingly focuses on all emerging areas of IT/ICT applications in the sector.

Following key services are provided by vertical as part of the Digital Education System:

- Wi-Fi and Network Solutions
- ERP implementation
- Digitization of Records
- E-content preparation
- Virtual Classrooms
- Smart Campuses
- Online Admission System
- Computer labs



## • Education Infrastructure Services (EIS)



Following key services are provided by the vertical covering Educational infrastructure management (turnkey execution and project management consultancy) services

- Concept Design
- Detailed Drawings
- Detailed Project estimate with Bill of Material
- Construction Schedule /Procurement Plan
- RFP documents
- RFP Process Management
- Project construction monitoring
- Incident monitoring
- Modifications in schedule
- Quality Assurance and Control
- Billing and Payments
- Getting Completion / Occupancy Certificates from Statutory Authorities
- Final Project Completion Report with Expense Analysis.

## • Education Procurement Services (EPS)



The Company assists in the capacity building of educational and training institutions in India and abroad through procurement of educational aid ranging from IT equipments to hi-tech laboratory equipments. We have been providing procurement services on turnkey basis meeting the client requirements by facilitating optimal utilisation of client resources.

Leveraging three decades of experience in domestic and overseas sector, following key services are provided by the vertical as part of the Procurement Services focusing on maximizing TCO in educational and human resource development space:

- Educational Product research
- Vendor empanelment
- Demand Aggregation
- Development of Sourcing Strategy
- E-Tendering
- Bid Analysis
- Finalization of contract
- Order Placement
- Monitoring receipt of shipment including Quality check at client site
- Annual maintenance services

## • Technical Support Group (TSG)



This is EDCIL's project management and logistical support vertical (also known as Technical Support Group –TSG) to extend operational support to MHRD in implementing several Mega Pan-India projects. The company provides Logistic Support for national level implementation of prestigious social sector projects of Government of India and International Funding Agencies. The services include:

- Logistical support to various large MHRD schemes (e.g. SSA, MDM, RUSA and RMSA)
- Outsourcing of consultants etc.
- Event management support
- Procurement services
- Transportation support

## V Overseas Business:

### • Overseas Education Services (OES)



Student Placement is one of the core service of the Company. The objective is to place International/ NRIs /PIO students in reputed and accredited Indian Institutions. The Company has been designated by the Ministry of Human Resource Development, Government of India as the exclusive "Coordinating agency and Single Window facility" for the direct admission of eligible Foreign Nationals / Persons of Indian Origin (PIOs) / Non-Resident Indians (NRIs) to Undergraduate, Postgraduate and Research programs. The Company places International/PIO/NRI students in more than 150 associated/ MoU institutions which have accreditations by regulatory bodies like UGC, NAAC, NBA, MCI etc.

Based on strong MEA/MHRD endorsement with in India, client confidence and alliances

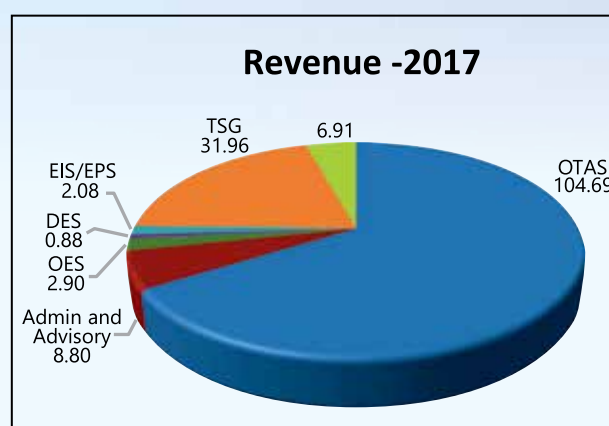
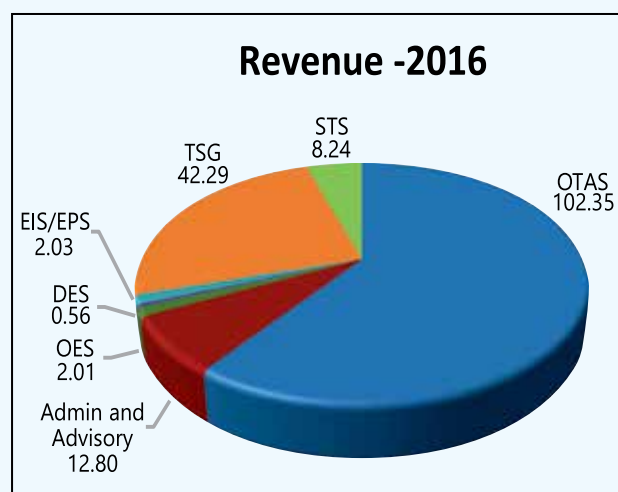


gained globally over three decades, the vertical executes sponsored and aggregated inbound overseas student admissions and faculty hiring and also effectively meets the individual needs of inbound students wanting to study in India. The company presently executes aggregated student placement of about 3000 students from Afghanistan, Nepal and Bhutan. The vertical focuses on high potential target markets covering mostly SAARC, Middle East and African nations.

The following services are specifically offered:

- Placement of Overseas Students in accredited Indian Institutes (sponsored schemes as well as SFS segments)
- Placement of Indian faculty in overseas institutes
- Student/faculty exchanges
- All other Project management and consulting services extended in domestic sector

#### **Exhibit 2: Revenues from Verticals (Amounts in Crores)**



#### **• STUDY IN INDIA CAMPAIGN:**

Internationalization of education is a critical component of India's proposed **New Education Policy (NEP)**. It is also pivotal to India's aspiration to grow as a strategic global force in the near future.

India has emerged as an Asian economic and strategic powerhouse. The time is now ripe to enhance India's Asian and global stature in the educational sphere and be regarded as one of the top education destinations of the world.

However, India is yet to harness the full potential of its wide education network to attract international students. Currently, India attracts about ~45,000 international students every year and is ranked ~26th among the top destinations for International student mobility globally. India's aspiration should be to grow 3.5 to 5.5 times to attract 1.5 to 2.5 lakh international students every year by 2022, beating popular education destinations such as Singapore and Belgium. This will double India's market share of global education exports from less than 1% to 2% in five years.

To achieve this goal, India must launch a comprehensive "Study in India"

programme, similar to countries like Australia, Malaysia, Singapore and Canada which are now among the top destinations for international students.

Based on a detailed analysis of government interventions in these benchmark countries and expert insights, the following **three key pillars** have been suggested for the “Study In India” programme which, we propose, should be **implemented / spearheaded by a nodal agency**:

**A. Unlock demand from source countries:**

This has three key components-

Developing a comprehensive social media driven go to market strategy with a special focus towards target countries.

Setting up a “Study in India” web platform to offer a highly credible and a single stop information and transactional platform for foreign students, NRIs and PIOs aspiring to study in India.

**B. Strengthen supply:** This comprises three key initiatives to improve the overall quality of Indian institutes making them international friendly and creating value-for-money seats in popular disciplines for international students

- a. Improvement of quality and readiness of institutes catering to International Students by increasing participation of premier education institutions in India.
- b. As part of the accreditation framework, create an internationally accepted system for ranking and accreditation of Internationally friendly institutions
- c. Creating value-for-money seats for international students

**C. Create an enabling governance environment: This includes**

- a. Improving ease of entry and stay of international students by recommending policy changes (e.g., visa, internship, job related policies for international students etc.) to the concerned regulatory authorities.
- b. Nodal agency orchestrating tie up of various govt. entities (e.g. MEA, MHRD etc.) and forming an interdepartmental taskforce that will look into the administrative problems, plaguing international students coming to India, in a comprehensive manner.

The company presently approximately visits 20 high potential destinations along with 20 accredited institutions.

EdCIL can play a key role in the “Study in India” programme as the nodal agency. With 30 years of experience in internationalization of education and in facilitating the placement of over 7,000 international students in India over the last five years alone, EdCIL is best positioned to function as the Ministry of Human Resource Development’s (MHRD) partner from design to implementation of the programme. EdCIL looks forward to engaging with the MHRD on the detailed blueprint for the programme and the financial proposal.

**VI SWOT Analysis:**

**The Following is SWOT analysis of the Company:**

**(a) Strengths**

- Only CPSE under MHRD.

- Continuous profit making/dividend payment record.
- High Level of Brand recall within Government/s in India & Overseas.
- Comfort of Clients in view of CPSE credibility.
- Close association with MHRD.
- Alliances with experts in different fields.
- In-house manpower & expertise developed for Client Servicing.
- Expertise in the areas traditionally handled projects (average 110-120 Projects per annum having 4-6 months life cycle)

#### **(b) Weaknesses**

- Operates as an extended arm for assured Govt. business & not as a strategic business unit.
- Large in-house Competence gap due to attrition.
- Absence of large corporate/institutional / consulting alliances.
- Self limiting strategy leading to not thinking big and undertaking larger projects.
- Inability to benchmark diversifies, innovate and compete.
- Lack of focus on Human Resource as a critical input to a consulting company.
- Absence of evolved business development vertical to tap business aggressively.
- Diversified overseas opportunities not tapped including to finalize larger

MEA funded projects of Overseas for institution building.

- Absence of systems driven internal processes & controls.
- PSU process challenges in business acquisition & delivery.
- Inability to bag any consultancy/project execution assignment under any of the ongoing projects (NMEICT,SSA,TEQUIP and MDM etc. of MHRD)

#### **(c) Opportunities**

- HRD spend of ₹ 3 lacs crores by Union & States.
- Similar spend by Pvt. Sectors.
- 1.25 billion Demographic dividend (to reach 40% GER in 2025, 800 new Universities required).
- Services sector growing to 60% of GDP needing industry ready skilled employees.
- Absence of many large Indian corporate players in education space.
- Un-serviced Government market (Project, O&M, strategy, aggregation).
- Government sectors' increasing need for an arm / specialized entity to assist in IT /ICT/Infra project execution / procurement.
- Skill Development Training market estimated at Rs 10K crores (Renewed Make in India and Skill development focus).
- Teacher's Training Market similarly estimated to be sizeable.
- Growing ICT & e-learning market (primary education/open universities).

- Increased spend on “Skill India”, “Digital India” and “Smart City” initiatives.
- Development of Services by multiple startups requiring collaboration.
- Growing PPP opportunities (outsourcing/ aggregation/infra).
- Growing SAARC and African market (Global Trade in Higher Education \$30 bn).

#### (d) Threats

- Diminishing & skewed public funding in Higher Education
- Entry of non-education PSUs into this space
- Increased Government checks & control
- Growing challenges in franchisee market in quality service delivery

### VII Towards a bright future:

#### • **MOU RATING**

The company has been rated “Excellent” by the DPE for the FY 2015-16. The Company is proactively engaged in identifying opportunities in education sector and aims to harness these opportunities in near future. The company is in the high growth stage and expanding foot prints across different states in India and overseas.

#### • **ORDER BOOK:**

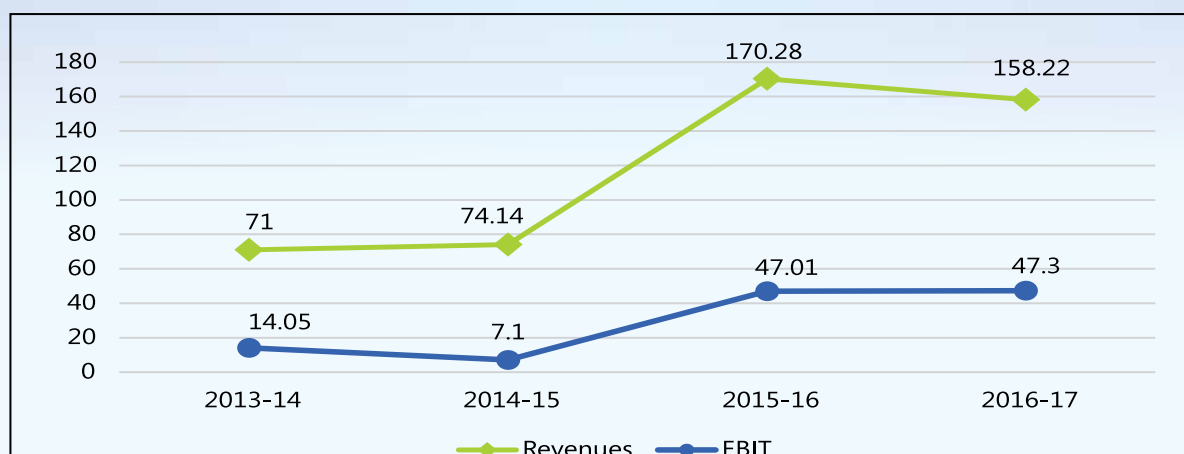
The Company has secured new orders during the year as follows:

(₹ in crores)

Sl. No.	Description	Order Amount
1	Online Testing and Assessment Service Division (OTAS)	100
2	Educational Infrastructure services/Educational Procurement Services (EIS/EPS)	105
3	Technical Support Group (TSG)	40
4	Digital Education Services (DES)	25
5	Overseas Education services (OES)	5
6	Advisory Services (AS)	3
	<b>TOTAL</b>	<b>278</b>

### VIII Financial overview:

The operating profit of the Company has crossed all previous records of profits so far. The profits before taxation has increased to ₹ 47.28 crores which is slightly higher than ₹ 47 crores the previous year and ₹ 7.09 crores in FY 2014-15. Given the nature of Project management and consultancy offering, the major asset of the company, “manpower” has contributed to the growth over time with revenues per manpower being ₹ 163.10 lakhs, ₹ 215.55 lakhs in FY 15-16 and ₹ 9.38 lakhs in 2015. The Net-worth per Re of paid up capital has risen to ₹ 39.48 in FY 2016-17; the same was ₹ 25.34 the previous year and ₹ 15.96 the year before.


**Exhibit 3: Correlation between Revenues and EBIT**

Amounts in crores

Particulars		2016-17	2015-16	Variance	
				Absolute	Relative
<b>Revenues</b>					
Revenue from operations	(A)	<b>158.21</b>	<b>170.28</b>	<b>-12.06</b>	<b>-7%</b>
<b>Direct Expenses</b>					
Project Expenditure		93.45	109.94	<b>-16.49</b>	<b>-15%</b>
Purchase of Stock-in-Trade		23.32	0.50	<b>22.82</b>	<b>4522%</b>
Changes in inventories		(20.43)	0.74	<b>-21.17</b>	<b>-2838%</b>
Employee benefit expense		14.65	13.83	<b>0.81</b>	<b>6%</b>
<b>Total</b>	(B)	<b>110.99</b>	<b>125.03</b>	<b>-14.03</b>	
<b>Profit from Operations</b>	(C)	<b>47.22</b>	<b>45.24</b>	<b>1.97</b>	<b>4%</b>
<b>Indirect Expenses</b>					
Depreciation and amortization expense		0.42	0.34	<b>0.07</b>	<b>20%</b>
Other expenses		9.04	2.96	<b>6.08</b>	<b>205%</b>
Corporate Social Responsibility Expenditure		0.46	0.21	<b>0.25</b>	<b>125%</b>
<b>Total</b>	(D)	<b>9.92</b>	<b>3.51</b>	<b>6.40</b>	
Indirect Incomes	(E)	10.00	5.27	<b>4.72</b>	<b>89%</b>
<b>EBIT</b>		<b>47.29</b>	<b>47.00</b>	<b>0.29</b>	<b>1%</b>



## Revenue Trend Analysis

The Financial Year 2016-17 is considered to be that of consolidation against the backdrop of doubling of revenue which happened during Financial Year 2015-16. The Company has built up an impressive order book of ₹ 278 crores and is poised to register a further impressive growth during FY 2017-18. The contribution of Procurement as a vertical is also projected to grow significantly during FY 2017-18 leading to further diversification. The augmentation of specialized manpower through enhanced hiring would lead to improvement in operation and higher booking of turnover.

## IX Risks and concerns:

Risk in literal terms can be defined as the effect of uncertainty on the objectives. Risk is measured in terms of consequences and likelihood. The company identifies the risks on the basis of comprehensive Risk Management policy and observing the business environment it is operating in. The risk of economic environment like increasing prices of input products and outsourced consultancy is addressed by entering into the rate contracts. The company also gets the quarterly review done by the Internal Auditors and the findings of the Internal Auditors are appropriately addressed. The risks specific to different department is monitored at a reasonable periodicity by the concerned department heads. Standard operating procedures (SOP's) for verticals would also address risk mitigation issues.

## X Initiatives taken by the Company

The Company has hired two globally acclaimed consultancy firms to formulate and implement a "Medium term strategy" and "ERP". While medium term strategy incorporates several process changes including designing standard operating processes. ERP implementation includes Business Process Reengineering (BPR) to improve cost management and to optimize costs.

- **Medium term strategy:**

EdCIL today has several strengths, but these are significantly underleveraged in terms of revenue, impact and reputation. As comparison, Public Sector enterprises (PSUs) in India with similar mandates across other sectors have grown quite significantly in the last 20-25 years, and have 10X more revenues. E.g., RITES incorporated in 1974, is at INR 1,200 Cr revenues at the end of FY16, and TCIL incorporated in 1978, reported revenues of INR 833 Cr in FY 16.

Given this context, the strategy study was undertaken to provide an objective, third party perspective to identify areas of growth and business opportunities based on market realities, data analysis, global benchmarks, and define required internal competencies and design the future organization and culture that will significantly boost growth. The approach to strategy was defined in 2 distinct phases

- (a) To develop the strategy design for growth (11 weeks)

(b) Implementation and handholding support (12 months)

The approach followed to develop the strategy was an intensive exercise which involved multiple stakeholder discussions and workshops, in-depth data analyses, and leveraging proprietary strategy frameworks, SWOT analysis etc. A detailed diagnostic was conducted to understand current baseline of performance, and identify core strengths and challenge areas.

The growth strategy for EdCIL has been defined based on the EdCIL's current strengths, market assessment and requirements, and the competitive landscape. This strategy will lay the path for EdCIL 2.0, an organization of high repute with 10X revenues, and robust capabilities, delivering significant impact in the India's education landscape.

Rationale for new organization structure is mainly to ensure new growth engines are staffed with high-capability people, clear role definitions and reporting structures are drawn for streamlined processes and higher accountability; gaps in employee qualification, job role requirements and competencies are filled, and the existing skewed manpower distribution against specialized categories are addressed.

## EdCIL 2.0 Vision

"To be a highly respected consultancy and project management organization that provides expertise, services and innovative solutions to drive impact in the education and HR space"

## EdCIL 2.0 Mission

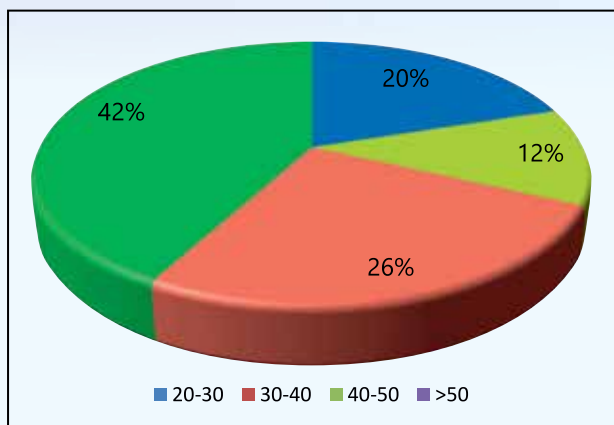
"To drive disruptive improvements in education and HR outcomes through innovative, technology-led offerings, with highest efficiency and ethical standards to domestic and global clients, and to be the preferred education sector employer"

The focus of EdCIL is going forward for various KEY PROCESS IMPROVEMENTS in business development, Knowledge management, strong network of business alliances, quality enhancement strategies in order to have successful deliverables, developing capabilities in critical areas, and multiple changes in the way EdCIL is organized and operates. Achieving the target milestones on these initiatives will firmly establish EdCIL on the roadmap to becoming a highly reputed, fast growing education company in India, and set-it up well for continued growth beyond 2022.

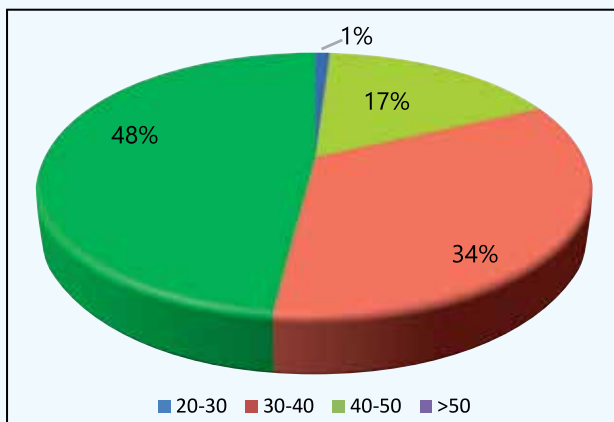
### • HR turnaround

The employee count of the Company increased from 79 as at March 31, 2016 to 97 as at March 31, 2017. The Employee mix of the Company got improved with emphasis on recruitment of younger managerial and specialist employees. The number of employees in the age group of 20-30 rose from 1 in 2015-16 to 19 as at March 31, 2017. The company is in touch with the MHRD to increase the sanction limit of the employees to increase the specialist workforce to meet the requirement of the growing and diversified verticals.

## Workforce composition (Age)- 2017



## Workforce composition (Age)- 2016



### • ERP IMPLEMENTATION

The mission of the company is to drive disruptive improvements in education and HR outcomes through innovative, **technology-led offerings**, with highest efficiency and ethical standards to domestic and global clients, and to be the preferred education sector employer.

EdCIL is presently implementing ERP within the organization to create more structured, standardized and technology-based processes. M/S E&Y was awarded the project to formulate the entire "Business Process Re-engineering

Plan". It has already completed the FRS, "As-Is" and "To Be Report" and is now helping EdCIL to select the SI vendor for implementing the ERP solution.

Successful implementation of ERP would eliminate repetitive processes and greatly reduce the need to manually enter information. It will also streamline business processes, making it easier and more efficient for the Company to collect data. Instead of distributing data across a number of separate databases, all the information will be collated in a single location. The entire database will also be standardized and up-to-date.

The ERP software helps in making reporting easier and more customizable. With improved reporting capabilities, EdCIL will be able to respond to complex data requests more easily and expeditiously. Users can also run their own reports without relying on the IT department for help.

The ERP system will also improve the accuracy, consistency and security of data. Restrictions on data use and access can also be enhanced. It also becomes easier to provide high-quality customer service. Sales and customer service people can interact with customers more effectively and improve relationships with them through faster channels and accurate access to information.

## Annual Report on CSR activities as per section 135 of Companies act, 2013 and Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014

### 1. A brief outline of the company's CSR policy including overview of projects or programs proposed to be undertaken.

#### 1. CONCEPT:

##### 1.1. SHORT TITLE & APPLICABILITY:

1.1.1 This policy, which encompasses the company's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large, is titled as the '**EdCIL CSR Policy**'.

1.1.2 This policy shall apply to all CSR initiatives and activities taken up at the various projects and locations of EDCIL, for the benefit of different segments of the society, specifically the deprived, underprivileged and differently-abled persons.

#### 2. CSR VISION STATEMENT & OBJECTIVE:

2.1. In alignment with vision of the company, EDCIL, through its CSR initiatives, will 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.

2.2. The objective of the EDCIL CSR Policy is to:

- Ensure an increased commitment at all levels in the organisation, to operate its business in an economically, socially & environmentally sustainable manner, while recognizing the interests of all its stakeholders.
- To directly or indirectly take up programmes that benefit the communities in & around its work-centers and results, over a period of time, in enhancing the quality of life & economic well-being of the local populace.
- To generate, through its CSR initiatives, a community goodwill for EDCIL and help reinforce a positive & socially responsible image of EDCIL as a corporate entity.

#### 3. IMPLEMENTATION

3.1. CSR programmes will be undertaken by various departments of EDCIL to the best possible extent within the defined ambit of the identified 'Thrust Areas'.

3.2. The time period/duration over

which a particular programme will be spread, will depend on its nature, extent of coverage and the intended impact of the programme.

- 3.3. Programmes which involve considerable financial commitment and are undertaken on a timeframe of 2-5 years, will be considered as 'flagship programmes' and accorded enhanced significance.
- 3.4. By and large, it may be ensured that at least 60% of the CSR programmes are executed in slums & backward areas.
- 3.5. Initiatives of State Governments, District Administration, Local Administration as well as Central Government Departments! Agencies, Self -Help Groups, etc., would be dovetailed and synergized with the initiatives taken by EDCIL.
- 3.6. Project activities identified under CSR are to be implemented by specialized agencies, which could include - Voluntary Organizations (VO's) formal or informal Elected local bodies such as Panchayats, Institutes/Academic Institutions, Trusts, Self Help Groups, Govt/Semi Govt./ Autonomous organizations, Mahila Mandals, Professional Consultancy organization etc.

#### **4. EXECUTING AGENCY/PARTNERS:**

- 4.1. EDCIL will seek to identify suitable programmes for implementation in line with the CSR objectives of the Company and also benefit the

stakeholders and the community for which those programmes are intended. These works would be done through:

- Community based organizations whether formal or informal;
- Elected local bodies such as Panchayats;
- Voluntary Agencies (NGOs);
- Institutes/ Academic Organizations;
- Trusts, Missions;
- Self-help Groups;
- Government, Semi-Government and autonomous organizations;
- Standing Conference of Public Enterprises (SCOPE);
- Mahila Mandals/ Samitis;
- Contracted agencies for civil works;
- Professional Consultancy Organizations.

#### **5. MONITORING AND FEEDBACK**

- 5.1. To ensure effective implementation of the CSR programmes undertaken at each project, a monitoring mechanism will be put in place by the project head. The progress of CSR programmes under implementation at project will be reported to Executive Director on a quarterly basis.
- 5.2. The CSR coordinator at the corporate office will conduct impact studies on a periodic basis, through independent professional third



parties/professional institutions, especially on the strategic and high value programmes.

- 5.3. Projects and other offices will also try to obtain feedback from beneficiaries about the programmes.
- 5.4. Appropriate documentation of the EDCIL CSR Policy, annual CSR activities, executing partners, and expenditure entailed will be undertaken on a regular basis and the same will be available in the public domain.
- 5.5. CSR initiatives of the Company will also be reported in the Annual Report of the Company.

## 6. THE COMPOSITION OF THE CSR COMMITTEE

The members of the CSR Committee are as follows:

- i. Dr Harshad Patel, Non-official Part time director, EdCIL – Chairperson
- ii. Prof. E. Vayunandan, Non-official Part time director, EdCIL – Member
- iii. Sh. Dinkar Asthana, Nominee Director, MEA - Member
- iv. Dr. KL Sarkar, Executive Director (Corporate Planning), EdCIL-Member
- v. Mr. PKS Shishodia, Chief General Manager (EIS&EPS), EdCIL – Member secretary
- vi. Mr. Sandeep Goel, Chief General Manager (Fin.)- Company Secretary

## 7. Average net profit of the company for last three financial years

Net Profit before Tax	
Particulars	₹ in Lakhs
2013-14	1405.45
2014-15	709.81
2015-16	4698.50
Total NPBT	6813.76
Average NPBT	2271.25
2% of Average NPBT of previous 3 years	45.42

Prescribed CSR Expenditure (two per cent of the amount as in item 3 above).

A total of ₹ 45.42 lacs (2% of Average Net Profit) is prescribed CSR-SD expenditure.

## 8. Details of CSR spent during the financial year.

		₹ in Lakhs
a)	Total amount targetted to be spent	45.42
b)	Total Amount actually spent	46.00
c)	Amount unspent:	Nil



Under its CSR initiative EdCIL (India) Limited (A Mini Ratna Category – I CPSE under Govt. of India) provided a grant to the Bhagwan Mahaveer Viklang Sahayata Samiti (New Delhi Branch) for the distribution of Artificial Limbs and Calipers (Jaipur Foot design) and similar equipment to 300 persons with different ability.

Shri Diptiman Das, CMD along with other senior officials of EdCIL, attended a camp held for the purpose at BMVSS branch in New Rajendar Nagar and interacted with Padma Shri Dr. VK Mehta and a section of beneficiaries. CMD/EdCIL expressed company's commitment to enhance support in this area through the CSR initiative in coming years.

D ) CSR PROJECTS EXECUTED DURING THE FINANCIAL YEAR 2016-17							
1	2	3	4	5	6	7	8
Sr. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or Programmes (1) Local areas or other (2) Specify the State and district where projects or programs was undertaken	Amount Outlay (budget) project or programs wise	Amount spent on the projects or programs Sub – Heads: (1) Direct expenditure on projects or programs, (2) overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agencies
1.	Promotion of Archery by Contribution to Sports Authority of Gujarat	Promoting Rural/ Tribal Areas Sports.	Promotion of Archery by Contribution to Sports Authority of Gujarat <b>Areas Covered:</b> Gujarat & Rajasthan tribal area	₹ 10,00,000	₹ 10,00,000	₹ 10,00,000	Direct
2.	To Cure Cancer patient and contribution towards Rastriya Arogya Nidhi for betterment of Health of People in India.	Promoting Health care including preventive health care.	<b>Areas Covered:</b> All India Based	₹ 5,00,000	₹ 500000	₹ 500000	Direct
3.	Support for distribution of artificial Limbs & Aluminium crutches to Divyangs to aid them to regain mobility and dignity.	Promoting Health care including preventive health care.	<b>Areas Covered:</b> Delhi-NCR	₹ 10,00,000	₹ 10,00,000	₹ 10,00,000	Direct
4.	Swacch Bharat	Promotion of Sanitation for the betterment of people	<b>Areas Covered:</b> All India Based	₹ 10,00,000	₹ 10,00,000	₹ 10,00,000	Direct

The Company was successfully able to spend ₹ 4600000/- against CSR-Budget of ₹ 4520000/-.

## 7. A responsibility statement of the CSR Committee that the implementation and monitoring of the CSR-SD policy, is in compliance with the CSR-SD objectives and policy of the Company:

It is hereby confirmed that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the company.

### Achievements against MOU targets for FY 2016-17

Sl. No.	Parameter	Unit	Target at excellent level	Company's Achievement
1	New orders secured during the year	₹ Cr.	210	218.39
2	Increase in organizing online recruitment test (no. of candidates over previous year)	%	15	16
3	Completion of milestone in client's assignments stated for FY 2016-17 without time overrun (Where order value exceeds ₹ 1 Cr.)	%	100	100
4	Test run of ERP implementation and uploading of all data	Date	15-02-2017	In process
5	<u>Diversification</u> Getting order from two large customers i.e. ₹ 15Cr. or more	Date	Before 01-03-2017	Before 01-03-2017
6	Reductions in trade receivables over six months over previous year	%	10	-
7	Revenue from operations net of excise duty	₹ Cr.	200	158.22
8	<u>Operating Profits</u> (Profit before tax excluding other income, extraordinary & exceptional items) as percentage of revenue from operations	%	16	22.88
9	Reductions in claims against company not acknowledged as debt over the previous year (raised by others)	%	10	-
10	Increase in participants in "study in India" campaign (No. of institutional participation)	No.	12	12
11	Trade receivables as a percentage of Revenue from operations (Gross)	%	8	62
12	Dividend/ PAT	%	31	36.56
13	PAT/ Net Worth	%	50	35.13
14	Dividend/ Net Worth	%	15.5	12.84

## Annexure - VII

## SUMMARY OF PROJECTS COMPLETED / ONGOING DURING THE YEAR 2016-17 OF TRAINING PROJECT OF SKILLING AND TRAINING SERVICES

### (I) COMPLETED PROJECTS (TRAINING RELATED)

Sl. No.	Name of State	Name of Client	Name of Project	Status of the project
1.	Assam & Tripura	National Safai Karamcharis Fin. & Dev. Corporation (NSKFDC), New Delhi	Training in BPO in Assam & Tripura for 480 women candidates	Completed
2.	Tripura	Govt. of Tripura, Tripura	Training under Border Area Development Programme (BADP), Govt. of Tripura in Office Automation & Industrial Security Guards for 167 candidates	Completed
3.	West Bengal	West Bengal SC&ST Dev. Fin. Corporation (WBSC&STDFC), Kolkata	Training in Desk Top Publishing & Diploma in Computer Hardware & Networking for 500 candidates	Completed
4.	West Bengal	Aliah University, Kolkata	Training in various districts of West Bengal in short-term IT related courses under Phase-II project for 2500 candidates	Completed
5.	West Bengal	Aliah University, Kolkata	Training in various districts of West Bengal in short-term IT related courses under MSDP-I (Phase-III) project for 2010 candidates	Completed
6.	West Bengal	Aliah University, Kolkata	Training in various districts of West Bengal in short-term IT related courses under MSDP-II (Phase-IV) project for 2490 candidates	Completed



**(II) ON-GOING PROJECTS (TRAINING RELATED)**

Sl. No.	Name of State	Name of Client	Name of Project	Status of the project (completed/ on-going)
1.	Bihar & Chhattisgarh	National Safai Karamcharis Fin. & Dev. Corpn. (NSKFDC), New Delhi	Short-term IT related Training Programme in Bihar & Chattisgarh for 500 candidates	ON-GOING
2.	West Bengal	Aliah University, Kolkata	Short-term Skill Development Training in West Bengal Phase-V (MSDP-III) for 1440 candidates	ON-GOING
3.	Assam & Bihar	Ministry of Social Justice & Empowerment, Govt. of India, New Delhi	Short-term IT related Training in Assam & Bihar for 200 candidates	ON-GOING
4.	West Bengal	West Bengal Minorities Development & Finance Corporation (WBMDFC), Kolkata	Capacity Building Training Programme for minority community in West Bengal (Phase-II) for 550 candidates	ON-GOING
5.	Assam, Bihar, J&K, Manipur, Sikkim, Tripura & Uttarakhand	National SC Finance & Development Corporation (NSCFDC), New Delhi	Conduct of Training programme in IT related short-term courses in 7 states for 940 candidates	ON-GOING
6.	West Bengal	West Bengal Minorities Development & Finance Corporation (WBMDFC), Kolkata	Capacity Building Training Programme for minority community in West Bengal (Phase-I) for 360 candidates	ON-GOING
7.	Bihar	National Safai Karamcharis Fin. & Dev. Corpn. (NSKFDC), New Delhi	Capacity Building Training for 60 candidates in Bihar	ON-GOING
8.	Bihar	National Safai Karamcharis Fin. & Dev. Corpn. (NSKFDC), New Delhi	Capacity Building Training for 291 candidates in Bihar	ON-GOING
9.	Bihar	National Safai Karamcharis Fin. & Dev. Corpn. (NSKFDC), New Delhi	Capacity Building Training for 709 candidates in Bihar	ON-GOING

## SUMMARY OF PROJECTS ONGOING / COMPLETED DURING THE YEAR 2016-17

### Placement Projects:

Sl. No.	Name of State	Name of Client	Name of Project	Status of the project
1.	<b>Afghanistan</b>	Afghan Ministry of Higher Education, Kabul, Afghanistan	Afghan Ministry of Higher Education, Kabul, Afghanistan / Placement of Afghan students in EdCIL associated institutions in Under Graduate, Post Graduate and Doctoral Programmes / <b>2011-12 Batch</b>	Ongoing
2.	<b>Afghanistan</b>	Afghan Ministry of Higher Education, Kabul, Afghanistan	Afghan Ministry of Higher Education, Kabul, Afghanistan / Placement of Afghan students in EdCIL associated institutions in Under Graduate, Post Graduate and Doctoral Programmes / <b>2012-13</b>	Ongoing
3.	<b>Afghanistan</b>	Afghan Ministry of Higher Education, Kabul, Afghanistan	Afghan Ministry of Higher Education, Kabul, Afghanistan / Placement of Afghan students in EdCIL associated institutions in Under Graduate, Post Graduate and Doctoral Programmes / <b>2013-14 Batch</b>	Ongoing.
4.	<b>Afghanistan</b>	Afghan Ministry of Higher Education, Kabul, Afghanistan	Afghan Ministry of Higher Education, Kabul, Afghanistan / Placement of Afghan students in EdCIL associated institutions in Under Graduate, Post Graduate and Doctoral Programmes / <b>2014-15 Regular Batch</b>	Ongoing

Sl. No.	Name of State	Name of Client	Name of Project	Status of the project
5.	<b>Afghanistan</b>	Afghan Ministry of Higher Education, Kabul, Afghanistan	Afghan Ministry of Higher Education, Kabul, Afghanistan / Placement of Afghan students in EdCIL associated institutions in Under Graduate, Post Graduate and Doctoral Programmes / <b>2015-16 Regular Batch</b>	Ongoing
6.	<b>Bhutan</b>	Royal Government of Bhutan, Thimpu	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 / <b>2014-15</b>	Ongoing
7.	<b>Bhutan</b>	Royal Government of Bhutan, Thimpu	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 / <b>2015-16</b>	Ongoing
8.	<b>Bhutan</b>	Royal Government of Bhutan, Thimpu	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 / <b>2016-17</b>	Ongoing

Sl. No.	Name of State	Name of Client	Name of Project	Status of the project
9.	<b>Various Countries</b>		<b>Self Financing Students</b> / 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 / <b>2014-15</b>	Ongoing
10.	<b>Self Financing Students</b>		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 / <b>2015-16</b>	Ongoing
11.	<b>Self Financing Students</b>		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 / <b>2016-17</b>	Ongoing
12.	<b>New Delhi</b>	Ministry of External Affairs	Ministry of External Affairs, Government of India / Placement of Nepalese Students in PhD. Programme for <b>2013-2014 Batch</b>	Ongoing
13.	<b>New Delhi</b>	Ministry of External Affairs	Ministry of External Affairs, Government of India / Placement of Nepalese Students in BAMS / MD Programme for <b>2013-2014 Batch</b>	Ongoing

Sl. No.	Name of State	Name of Client	Name of Project	Status of the project
14.	<b>New Delhi</b>	Ministry of External Affairs	Ministry of External Affairs, Government of India / Placement of Nepalese Students in B. Pharmacy Programme for <b>2014-2015 Batch</b>	Ongoing
15.	<b>New Delhi</b>	Ministry of External Affairs	Ministry of External Affairs, Government of India / Placement of Nepalese Students in B.Sc. (Nursing) Programme for <b>2014-2015 Batch</b>	Ongoing
16.	<b>New Delhi</b>	Ministry of External Affairs	Ministry of External Affairs, Government of India / Placement of Nepalese Students in Agriculture, Dairy Technology and Veterinary Programmes for <b>2014-2015 Batch</b>	Ongoing
17.	<b>New Delhi</b>	Ministry of External Affairs	Ministry of External Affairs, Government of India / Placement of Nepalese Students in B. Tech. Programme for <b>2014-2015 Batch</b>	Ongoing
18.	<b>New Delhi</b>	Ministry of External Affairs	Ministry of External Affairs, Government of India / Placement of Nepalese Students in Agriculture and Dairy Technology Programme for <b>2015-2016 Batch</b>	Ongoing
19.	<b>New Delhi</b>	Ministry of External Affairs	Ministry of External Affairs, Government of India / Placement of Nepalese Students in B.Tech Programme for <b>2016-2017 Batch</b>	Ongoing
20.	<b>New Delhi</b>	Ministry of External Affairs	Ministry of External Affairs, Government of India / Placement of Nepalese Students in M.Tech Programme for <b>2016-2017 Batch</b>	Ongoing



Sl. No.	Name of State	Name of Client	Name of Project	Status of the project
21.	<b>New Delhi</b>	Ministry of External Affairs	Ministry of External Affairs, Government of India / Placement of Nepalese Students in B.Pharm Programme for <b>2016-2017 Batch</b>	Ongoing
22.	<b>New Delhi</b>	Ministry of External Affairs	Ministry of External Affairs, Government of India / Placement of Nepalese Students in BA/BCA/BBM/ Bsc Programme for <b>2016-2017 Batch</b>	Ongoing
23.	<b>New Delhi</b>	Ministry of External Affairs	Ministry of External Affairs, Government of India / Placement of Nepalese Students in MBA/M.Sc/ MCA Programme for <b>2016-2017 Batch</b>	Ongoing
24.	<b>New Delhi</b>	Ministry of External Affairs	Ministry of External Affairs, Government of India / Placement of Nepalese Students in Agri/DT/ B.Sc (Nursing) Programme for <b>2016-2017 Batch</b>	Ongoing
25.	<b>New Delhi</b>	Ministry of External Affairs	Ministry of External Affairs, Government of India / Placement of Nepalese Students in Ph.D Programme for <b>2016-2017 Batch</b>	Ongoing
26.	<b>New Delhi</b>	Ministry of External Affairs	Ministry of External Affairs, Government of India / Placement of Students and Disbursement of Scholarship to selected Students for various Under Graduate Programmes under SPDC for <b>2012-2013 Batch</b>	Ongoing

Sl. No.	Name of State	Name of Client	Name of Project	Status of the project
27.	<b>New Delhi</b>	Ministry of External Affairs	Ministry of External Affairs, Government of India / Placement of Students and Disbursement of Scholarship to selected Students for various Under Graduate Programmes under SPDC for <b>2013-2014 Batch</b>	Ongoing
28.	<b>New Delhi</b>	Ministry of External Affairs	Ministry of External Affairs, Government of India / Placement of Students and Disbursement of Scholarship to selected Students for various Under Graduate Programmes under SPDC for <b>2014-2015 Batch</b>	Ongoing
29.	<b>New Delhi</b>	Ministry of External Affairs	Ministry of External Affairs, Government of India / Placement of Students and Disbursement of Scholarship to selected Students for various Under Graduate Programmes under SPDC for <b>2015-2016 Batch</b>	Ongoing
30.	<b>New Delhi</b>	Ministry of External Affairs	Ministry of External Affairs, Government of India / Placement of Students and Disbursement of Scholarship to selected Students for various Under Graduate Programmes under SPDC for <b>2016-2017 Batch</b>	Ongoing

**Placement Projects:**

Sl. No.	Name of State	Name of Client	Name of Project	Status of Project
1.	<b>Bhutan</b>	Royal Government of Bhutan, Thimphu,	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 / <b>2013-14</b>	Completed
2.	<b>Self Financing Students</b>		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 / <b>2013-14</b>	Completed
3.	<b>New Delhi</b>	Ministry of External Affairs	Ministry of External Affairs, Government of India / Placement of Nepalese Students in BAMS Programme for <b>2012-2013 Batch</b>	Completed
4.	<b>New Delhi</b>	Ministry of External Affairs	Ministry of External Affairs, Government of India / Placement of Nepalese Students in B. Pharmacy Programme for <b>2012-2013 Batch</b>	Completed
5.	<b>New Delhi</b>	Ministry of External Affairs	Ministry of External Affairs, Government of India / Placement of Nepalese Students in B. Pharmacy Programme for <b>2013-2014 Batch</b>	Completed
6.	<b>New Delhi</b>	Ministry of External Affairs	Ministry of External Affairs, Government of India / Placement of Nepalese Students in Agriculture, Dairy Technology and Veterinary Programmes for <b>2013-2014 Batch</b>	Completed
7.	<b>New Delhi</b>	Ministry of External Affairs	Ministry of External Affairs, Government of India / Placement of Nepalese Students in B. Tech. Programme for <b>2013-2014 Batch</b>	Completed

Sl. No.	Name of State	Name of Client	Name of Project	Statust of Project
8.	<b>New Delhi</b>	Ministry of External Affairs	Ministry of External Affairs, Government of India / Placement of Nepalese Students in BBA/BBM/B.Com. Programme for <b>2014-2015 Batch</b>	Completed
9.	<b>New Delhi</b>	Ministry of External Affairs	Ministry of External Affairs, Government of India / Placement of Nepalese Students in MBA/MCA/MA Programme for <b>2014-2015 Batch</b>	Completed
10.	<b>New Delhi</b>	Ministry of External Affairs	Ministry of External Affairs, Government of India / Placement of Nepalese Students in M.Tech. Programme for <b>2014-2015 Batch</b>	Completed
11.	<b>New Delhi</b>	Ministry of External Affairs	Ministry of External Affairs, Government of India / Placement of Nepalese Students in PhD. Programme for <b>2014-2015 Batch</b>	Completed
12.		New Delhi	Ministry of External Affairs Ministry of External Affairs, Government of India / Placement of Nepalese Students in MBA/MCA/MsC/MA Programme for <b>2015-2016 Batch</b>	Completed
13.	<b>New Delhi</b>	Ministry of External Affairs	Ministry of External Affairs, Government of India / Placement of Nepalese Students in M.Tech Programme for <b>2015-2016 Batch</b>	Completed
<b>Secondment Projects:</b>				
S. NO.	NAME OF STATE	NAME OF CLIENT	NAME OF PROJECT	STATUST OF PROJECT
1.	<b>Tanzania</b>	University of Dodoma	University of Dodoma, Tanzania / Recruitment of Academic Staff for the University of Dodoma, Tanzania / <b>2014-15</b>	Completed

## Annexure - IX

## SUMMARY OF PROJECTS COMPLETED / ONGOING DURING YEAR 2016-17 OF EDUCATIONAL INFRASTRUCTURE SERVICES EDUCATIONAL PROCUREMENTS SERVICES

## INTERNATIONAL :- Procurement

Sl. No.	Name of State	Name of Client	Name of Project	Status of Project
1.	<b>Mauritius</b>	Republic of Mauritius	Supply, Commissioning and Maintenance of Tablets with related Hardware at Primary Schools under Early Digital Learning Programme (EDLP) Project	Ongoing

## NATIONAL:-

## A. Institutional Development State Level :-

Sl. No.	Name of State	Name of Client	Name of Project	Status of Project
1.	<b>Chhattisgarh</b>	International Institute of Information Technology (IIIT), Raipur	International Institute of Information Technology (IIIT), Raipur, Chhattisgarh (Design & Detailed Engineering Consultancy Services)- <b>2014-2015</b>	(Financial Closure is under progress).
2.	<b>Maharashtra</b>	Sholapur Power Training Institute, Sholapur	Establishment of Sholapur Power Training Institute, Sholapur (Design & Detailed Engineering Consultancy Services)	{Work physically completed/Contract during 2013-2014 & Financial Closure is under progress}.



Sl. No.	Name of State	Name of Client	Name of Project	Status of Project
3.	<b>New Delhi</b>	CRO & CRB	Repair & Renovation of Civil & Electrical Works for Copyright Office & Copyright Board (CRO & CRB) New Delhi	(Project Completed during 2015-2016).
4.	<b>Uttar Pradesh</b>	KHS, Agra	Construction of Multipurpose Hall at KHS, Agra	Project Substantially Completed during 2017-2018.
5.	<b>Punjab</b>	I.K. Gujral Punjab Technical University	Supply, Installation and Commissioning of Furniture, IT and Laboratory equipments for Setting up of I.K. Gujral Punjab Technical University (Main Campus & its Constituents) Kapurthala Jalandhar (Punjab) – 2016-2017	
6.	<b>Uttar Pradesh</b>	Rajiv Gandhi Institute of Petroleum Technology (RGPT)	Procurement of Furniture, Audio & Video, UPS, EPABX System, LAN & Wi-Fi for Rajiv Gandhi Institute of Petroleum Technology (RGPT), Rae Bareilly – 2016-2017	<b>Procurement State Level :- On-Going</b>
7.	<b>Madhya Pradesh</b>	ABV-Indian Institute of Information Technology and Management, Gwalior	Supply & Installation of Furniture & other related items at ABV-Indian Institute of Information Technology and Management, Gwalior– 2014-2015	<b>Completed</b>

Sl. No.	Name of State	Name of Client	Name of Project	Status of Project
8.	<b>New Delhi</b>	Copy Right Board & Copy Right Office	Supply, Installation & Commissioning of Digital Communication System and Networking at Copy Right Board & Copy Right Office, New Delhi. - 2014-2015.	
9.	<b>New Delhi</b>	National Implementation Unit (NPIU)	Procurement of Desktop Computers, MS Office, Operating Systems and Misc. Office Items for National Implementation Unit (NPIU) through PMSS. 2016-2017.	
10.	<b>New Delhi</b>	Right Board & Copy Right Office, New Delhi	Supply & Installation of Furniture Items at Copy Right Board & Copy Right Office, New Delhi	<b>(work physically completed during 2016-2017).</b>
11.	<b>Uttar Pradesh</b>	Kendriya Hindi Sansthan (KHS)	Supply and Installation of Furniture Items at Kendriya Hindi Sansthan (KHS), Agra	<b>(Project substantially completed during 2016-2017).</b>

## SUMMARY OF PROJECTS COMPLETED / ONGOING DURING THE YEAR 2016-17 OF ADVISORY SERVICES

**Domestic**

Sl. No.	Name of State	Name of Client	Name of Project	Status of Project
1.	<b>Andhra Pradesh</b>	Ministry of Human Resource Development, Government of India	Supply, Commissioning and Maintenance of Tablets with related Hardware at Primary Schools under Early Digital Learning Programme (EDLP) Project	Ongoing
2.	<b>Delhi</b>		Department of Higher Education, Ministry of Human Resource Development, Government of India, Preparation DPRs for Six New Institutes (IIT, IIM, IIIT, IISER, CU, TU) in Andhra Pradesh	Ongoing
3.	<b>Delhi</b>		Department of Higher Education Ministry of Human Resource Development Government of India, Revised DPR for 6 Second Generation IIMs + IIM Shillong –	Ongoing
4.	<b>Jammu</b>	IIM Jammu	Department of Higher Education Ministry of Human Resource Development Government of India, Preparation of 5 Nos. DPR for 5 new Indian Institute of Management in Amritsar, Bodhgaya, Nagpur, Sambalpur and Sirmour –	Ongoing
5.	<b>Meghalaya</b>	Government of Meghalaya	Preparation of DPR for Permanent Campus of Government of Meghalaya, Undertake Review & Research of Education Sector of Meghalaya	Ongoing

Sl. No.	Name of State	Name of Client	Name of Project	Status of Project
6.	<b>Odisha</b>	Ministry of Human Resource Development Government of India	Preparation of DPR for Construction of Permanent Campus for Indian Institute of Science Education & Research (IISER) at Berhampur	Ongoing
7.	<b>Odisha</b>	MINREM Bhubaneswar	(i) Preparation of DPR for Establishment of MINREM; (ii) Training Need Analysis & Designing of Learning Modules for MINREM; (iii) Study and Preparation of BPR and SRS reports for ERP Platform and Providing Consultancy Services	Ongoing
8.	<b>Odisha</b>	MHRD, Government of India	Department of Higher Education Ministry of Human Resource Development Government of India, Preparation of Detail Project Report of IISER Berhampur	Ongoing
9.	<b>Tamilnadu</b>	Gandhigram Rural Institute	Gandhigram Rural Institute, Preparation of Report on Evaluation of Existing Status and Suggest the Strategic Plan for Gandhigram Rural Institute (GRI) Deemed University	Ongoing
10.	<b>Telangana</b>	NI-MSME Ministry of MSME	NI-MSME Ministry of MSME, Detailed Project Report for MSME University	Ongoing
11.	<b>Telangana</b>	Air India Limited	Air India Limited, DPR for Upgradation of Central Training Establishment at Hyderabad into Air India International Institute of Aviation	Ongoing

**Domestic (Completed)**

Sl. No.	Name of State	Name of Client	Name of Project	Status of Project
1.	<b>Madhya Pradesh</b>	Ministry of Social Justice and Empowerment	<b>Ministry of Social Justice and Empowerment,</b> DPR for Establishment of National Institute of Mental Health Rehabilitation (NIMHR), Bhopal	Completed
2.	<b>Punjab</b>	Punjab Technical University	<b>Punjab Technical University,</b> Evaluation Studies of Existing Structure and Preparation of Strategic Plan for the Inder Kumar Gujral Punjab Technical University (IKGPTU) , Punjab –	Completed
3.	<b>Telangana</b>	Ministry of Human Resource Development	<b>Ministry of Human Resource Development,</b> Evaluation of Two Schemes implemented by MHRD for IIT Kharagpur and IIT Hyderabad	Completed
4.	<b>West Bengal</b>	Irrigation and Water Directorate	<b>Irrigation and Water Directorate,</b> DPR for Up-gradation of River Research Institute, West Bengal – Completed	Completed



# *Audit Report and Financials*



## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF **EDCIL (INDIA) LIMITED**

### Report on Financial Statement

We have audited the accompanying financial statements of **EDCIL (INDIA) LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2017, the Statement of Profit and Loss, the Cash Flow Statement for the period ended and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and

maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 qualified audit opinion on the financial statements.

### **Basis for Qualified opinion**

- 1) Balance of trade receivables, trade payables, and advances have not been got confirmed from counter parties in many cases but the letter of confirmations by EDCIL have been issued. The financial impact of this non-compliance, if any, could not be determined.
- 2) The company has not provided for liability towards post-retirement medical cost benefits payable to employees in compliance of "Accounting Standard 15" related to "Accounting for Employee Benefits". The financial impact of the same cannot be ascertained.
- 3) Trade Receivables include Rs. 92.16 lakhs (previous year Rs. 95.62 lakhs) which are unsecured and outstanding for more than five years and subject to confirmation. According to the company policy (Refer Note 3.10 of Significant Accounting Policies) trade receivables which are outstanding for more than six years are required to be written off. However the company has not written off few of such trade receivable amounting to Rs. 73.79 Lakhs (Previous year 78.22 Lakhs).
- 4) Advances received against projects, includes Rs. 255.40 lakhs (Previous Year Rs. 410.20 Lakhs) outstanding for a period of more than five years which have not been confirmed. In our opinion, liability towards this amount has ceased as the projects have already been completed and no claims against this amount have been received. This has resulted in overstatement of liabilities to the extent of Rs. 255.40 lakhs and understatement of income to that extent (Previous Year 410.20 Lakhs).
- 5) Provisions include Rs. 155.09 lakhs (Previous Year Rs. 300.79 lakhs) payable for a period of more than 3 years. The management has not been able to provide a satisfactory reply for non-settlement of the same. In absence of satisfactory reply, it is opined that liabilities are overstated by Rs. 155.09 lakhs and profit of the company is understated to that extent (Previous Year 300.79 Lakhs).

## Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the “Basis for Qualified opinion” the aforesaid 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 Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2017;
- (b) In the case of statement of Profit and Loss, of the Profit for the period ended on that date, and;
- (c) In the case of cash flow statement, of the cash flow for the period ended on that date.

## Emphasis of matter

- 1) Attention is invited to Note no. 34 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 perception in the absence of Accounting Policy on Impairment of Assets of Company.
- 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. The financial impact of this

non-compliance, if any, could not be determined.

- 3) Loans and Advances includes a sum of Rs.35.37 lakhs paid towards development of software outstanding for a period more than six years. As neither the software has been developed nor there is probability of returning the advance, the same has increased Loans and Advance as well as provision as at 31.03.2017 to that extent. Further an amount of Rs.24.34 lakhs has been grouped under “Long Term Loans & Advances” which is doubtful in nature and 100% provided in books of accounts resulting in enhanced “Long Term Loans & Advances” and “provision for doubtful advances” to that extent.
- 4) Two Projects namely “Compex Nepal” and “AIIMS Bhubaneswar” have been undertaken at lower consideration resulting in loss during the year under audit of Rs.4,66,960/- and Rs.3,14,563/- respectively.

## Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we enclose in the **Annexure-A**, a statement on the matters specified in paragraph 3 and 4 of the said Order to the extent applicable, on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanation given to us.

2. As required by Section 143 (3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The reports on the accounts of the branch offices of the Company, which are required to be audited under Section 143(8) of the Act are audited by us.
  - d) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Company (Accounts) Rules, 2014 except in the case Accounting Standard-15 (Employees Benefit) on points covered in Basis of Qualified Opinion at para 2;
  - f) In compliance to requirements of clause (f) of subsection (3) of section 143 of the Companies Act, 2013, we are of the opinion that the aforesaid financial statements have been prepared on a going concern basis and there is no matter which may have an adverse effect on the functioning of the Company.
  - g) Being a Government Company, section 164(2) pertaining to disqualification of directors is not applicable to the Company.
  - h) In compliance to requirements of clause (h) of subsection (3) of section 143 of the Companies Act, 2013, we are of the opinion that observations at para 4 and 5 in Basis of Qualification stated above might have adverse effect in relation to maintenance of accounts and other matter connected therewith.
  - i) The adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls has been reported by way of **Annexure -B**
  - j) In our opinion and to the best of our information and according to the explanation given to us, we report as under with respect to others matter to be included in the auditor's report in accordance with Rule 11 of the companies (Audit and Auditors) Rules, 2014:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements Refer Note No. 36 of Financial Statement;
    - ii. The company did not have any long term contracts including derivatives contracts for which there were any material foreseeable losses;
    - iii. There were no amounts which were required to be transferred by the company to the investor Education and Protection Fund.



iv. The Company has provided requisites disclosures in the financial statements as to holdings as well as dealings in specified bank notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016. Based on audit procedures and relying on the management representations we report that the disclosures are in accordance with books of accounts maintained by the company and as produced to us by the management.

Further, the company did not have any holdings or dealings in specified bank notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016.

3. As per Directions issued by CAG of India under section 143(5) of the Companies Act 2013, we report that:

- i. The company has one land on leasehold for 90 years with New Okhla Industrial Development Authority lease title of which is registered in the name of the company.
- ii. In accordance with accounting policies adopted by the Company, Trade receivables of Rs.21.83 Lakhs have been written off during the year under audit. There is no other case of waiver / write off / loans / interest etc.
- iii. The company does not have any inventory during the reporting period lying with third parties. Company has not received any assets as gift/ grant(s) from Government or other authorities.

**For Shiv & Associates**

Chartered Accountants

FRN.009989N

Sd/-

**(CA. Manish Gupta)**

Partner

M.No.095518

Date: 17/07/2017

Place: New Delhi

## ANNEXURE "A" TO THE AUDITORS' REPORT

The annexure referred to in our report of even date on the accounts of **EdCIL (India) Limited** for the period ended 31<sup>st</sup> March, 2017, we report that:

***The matters contained in paragraph 3 of the Companies (Auditor's Report) Order, 2016, are as follows:***

- i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets;
- (b) Physical verification of inventory at the year ending 31.03.2017 has been done by the management. Discrepancies observed on such verification made on 31.03.2017 have been rectified.
- (c) Company has taken leasehold from the Okhla Industrial Development Authority title of which is in name of the company.
- ii) Physical verification of Inventory at the year ending 31.03.2017 has been done by the management.
- iii) The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. In view of above, sub clause (a), (b) and (c) is not applicable.
- iv) In our opinion and according to the information and explanations given to us, the company has not dealt with any loans, investments, guarantees, and

security under section 185 and 186 of the Companies Act, 2013 during the period of audit. Therefore the reporting under the clause is not applicable.

- v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public as per provisions of Section 73 to 76 of Companies Act, 2013 and Company (Acceptance of Deposits) Rules, 2014, therefore the reporting under the clause is not applicable.
- vi) As per the provision of sub section (1) of section 148 of the Companies Act, 2013 maintenance of cost records prescribed by the Central Government is not applicable to the company, therefore the reporting under the clause is not applicable.
- vii)(a) According to the records, the company is regular in depositing undisputed statutory dues including provident fund, employee's state insurance, income tax, sales-tax, service tax, Value added Tax and other statutory dues applicable over the company. However duty of Customs, duty of Excise, and Cess are not applicable to the company.

Further there are no arrears of outstanding statutory dues as at

the last date of the reporting period concerned for a period of more than six months from the date they became due.

(b) According to the information and explanations given to us, there are no amounts payable in respect of income tax or sales tax or duty of customs or duty of excise or value added tax which have not been deposited on account of any dispute, therefore reporting of amounts involved and forum where dispute is pending is not applicable.

viii) The company has no loan or borrowings during the period of audit. Hence the default in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders is not applicable; therefore the reporting under the clause is not applicable.

ix) The company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the period of audit; therefore reporting under the clause is not applicable.

x) As per our information no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

xi) According to the Exemption Notification dated 05<sup>th</sup> June 2015 issued by Ministry of Corporate Affairs Section 197 of Companies Act, 2013 regarding managerial remuneration is not

applicable to the Government Company hence reporting under this clause is not applicable.

xii) The company is not a Nidhi Company and therefore the reporting clause is not applicable.

xiii) Yes, all the transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards.

xiv) No, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period of audit under review and therefore the reporting under the clause is not applicable.

xv) No, the company has not entered into any non-cash transactions with directors or persons connected with him and therefore the reporting under the clause is not applicable.

xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and therefore the reporting under the clause is not applicable.

**For Shiv & Associates**  
Chartered Accountants  
FRN.009989N

Sd/-  
**(CA. Manish Gupta)**  
Partner  
M.No.095518

Date: 17/07/2017

Place: New Delhi



## ANNEXURE "B" TO THE AUDITORS' REPORT

Annexure referred to in our report of even date to the members of **"EDCIL (INDIA) LIMITED"** on the accounts for the year ended 31<sup>st</sup> March 2017

### ***Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")***

We have audited the internal financial controls over financial reporting of "EDCIL (INDIA) LIMITED" ("the Company") as of 31<sup>st</sup> March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company and the components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal

control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition,

use, or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2017, based on the internal control over financial reporting criteria established by the Company and the components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

**For Shiv & Associates**  
Chartered Accountants  
FRN.009989N

Sd/-  
**(CA. Manish Gupta)**  
Partner  
M.No.095518

Date: 17/07/2017

Place: New Delhi



**EdCIL (India) Limited**  
**Balance Sheet as at 31<sup>st</sup> March, 2017**  
**CIN.: U74899DL1981GOI011882**

(Amounts in lacs, unless stated otherwise)

Particulars	Note	As at 31.03.2017	As at 31.03.2016
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	4	200.00	200.00
(b) Reserves and Surplus	5	7,695.17	4,867.67
<b>(2) Non-Current Liabilities</b>			
(a) Other Long term liabilities	6	793.52	1,181.99
(b) Long term provisions	7	319.06	278.44
<b>(3) Current Liabilities</b>			
(a) Trade payables	8	6,668.77	6,143.21
(b) Other current liabilities	9	5,360.62	6,607.36
(c) Short-term provisions	10	749.64	3,228.54
<b>Total</b>		<b>21,786.78</b>	<b>22,507.21</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets	11		
(i) Tangible assets		485.44	448.13
(ii) Intangible assets		11.89	13.66
(iii) Capital work-in-progress		2.15	1.40
(iv) Intangible asset under development		12.00	-
(b) Deferred tax assets (net)	12	173.52	455.71
(c) Long term loans and advances	13	137.02	154.52
<b>(2) Current assets</b>			
(a) Inventories	14	2,261.23	34.78
(b) Trade receivables	15	9,752.04	6,988.96
(c) Cash and cash equivalents	16	5,432.09	12,329.95
(d) Short-term loans and advances	17	2,219.70	1,302.89
(e) Other current assets	18	1,299.71	777.20
<b>Total</b>		<b>21,786.78</b>	<b>22,507.21</b>

The accompanying notes from 1 to 45 forms integral part of the financial statements.

As per our report of even date  
For **Shiv & Associates**  
Chartered Accountants  
FRN:009989N

Sd/-  
**Manish Gupta**  
Partner  
Membership No.: 085084

Place: New Delhi  
Date: 17<sup>th</sup> July, 2017

Sd/-  
**Sandeep Goel**  
CGM (Finance) & Company Secretary

For and on behalf of Board of Directors of EdCIL (India) Limited  
Sd/-  
**(Diptiman Das)**  
Chairman & Managing Director  
DIN: 07255933

Sd/-  
**Prof. E Vayunandan**  
Independent Director  
DIN: 07737382

## EdCIL (India) Limited

### Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2017

CIN.: U74899DL1981GOI011882

(Amounts in lacs, unless stated otherwise)

Particulars	Note	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>REVENUE</b>			
Revenue from operations	19	15,821.83	17,028.17
Other Income	20	1,000.04	527.80
<b>Total Revenue (A)</b>		<b>16,821.87</b>	<b>17,555.97</b>
<b>EXPENDITURE</b>			
Project expenditure	21	9,344.95	10,994.82
Purchase of stock-in-trade	22	2,332.48	50.47
Changes in inventories	23	(2,043.30)	74.64
Employee benefit expenses	24	1,465.66	1,383.73
Depreciation and amortization expenses	11	42.10	34.96
Other expenses	25	904.16	296.07
Corporate social responsibility expenditure		46.20	20.52
<b>Total Expenditure (B)</b>		<b>12,092.25</b>	<b>12,855.22</b>
<b>Profit before exceptional, Prior Period and extraordinary items and tax (A-B)</b>		<b>4,729.62</b>	<b>4,700.76</b>
Exceptional / extraordinary Items	26	(0.95)	0.02
Net prior period items	27	(0.02)	(2.28)
Profit before tax		<b>4,728.65</b>	<b>4,698.50</b>
<b>Tax expense:</b>			
(1) Current tax		1,563.55	1,820.24
(2) Deferred tax	12	282.19	(224.21)
(3) Previous year taxation adjustment		37.80	5.83
Profit for the period		<b>2,845.11</b>	<b>3,096.63</b>
Earning per equity share of ₹ 100 each- Basic & Diluted (in ₹)		<b>1,422.55</b>	<b>1,549.00</b>

The accompanying notes from 1 to 45 forms integral part of the financial statements.

As per our report of even date  
For **Shiv & Associates**  
Chartered Accountants  
FRN:009989N

Sd/-  
**Manish Gupta**  
Partner  
Membership No.: 085084

Place: New Delhi  
Date: 17<sup>th</sup> July, 2017

Sd/-  
**Sandeep Goel**  
CGM (Finance) & Company Secretary

For and on behalf of Board of Directors of EdCIL (India) Limited  
Sd/-  
**(Diptiman Das)**  
Chairman & Managing Director  
DIN: 07255933

Sd/-  
**Prof. E Vayunandan**  
Independent Director  
DIN: 07737382

**EdCIL (India) Limited**  
**Cash flow statement for year ended 31<sup>st</sup> March 2017**  
**CIN.: U74899DL1981GOI011882**

(Amounts in lacs, unless stated otherwise)

Particulars	Notes	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Cash flow from operating activities:</b>			
Net Profits before Tax		4,728.65	4,698.50
<b>Adjustments for:</b>			
Utilisation of Staff welfare fund		(17.61)	(10.74)
Utilisation of CSR		-	(5.95)
Depreciation and amortisation		42.10	34.96
Interest income		(307.44)	(492.93)
Provision written back		(349.75)	-
Liability written back		(128.18)	-
Advances written back		(182.27)	-
Other non-operating incomes		(31.41)	-
Provision for doubtful debts		29.51	16.44
Loss on sale/write of fixed asset		0.95	(0.02)
<b>Operating (loss)/profit before working capital changes</b>		<b>3,784.57</b>	<b>4,240.26</b>
<b>Adjustments for changes in working capital:</b>			
(Increase)/ decrease in current assets		(5,876.49)	(4,456.88)
(Decrease)/increase in current liabilities		(346.74)	6,253.91
<b>Cash generated from operations</b>		<b>(2,438.64)</b>	<b>6,037.29</b>
Income tax (paid)/refund		(3,471.72)	(602.56)
<b>Net cash used in operating activities</b>	<b>A</b>	<b>(5,910.38)</b>	<b>5,434.73</b>
<b>Cash flow from investing activities:</b>			
Net Purchase of fixed assets/additions to capital work in progress		(91.33)	(16.15)
Net proceed from fixed deposits		1,182.82	753.05
Interest income		307.44	492.93
<b>Net cash generated from investing activities</b>	<b>B</b>	<b>1,398.93</b>	<b>1,229.83</b>
<b>Cash flow from financing activities:</b>			
Dividend paid (Including DDT)		(1,203.58)	(240.72)
<b>Net cash used in financing activities</b>	<b>C</b>	<b>(1,203.59)</b>	<b>(240.72)</b>
<b>Net Increase/(decrease) in cash and cash equivalents</b>	<b>(A+B+C)</b>	<b>(5,715.04)</b>	<b>6,423.84</b>
<b>Cash and cash equivalents at beginning of the period</b>		<b>8,763.14</b>	<b>2,339.30</b>
<b>Cash and cash equivalents at end of the period</b>		<b>3,048.10</b>	<b>8,763.14</b>
<b>Cash and cash equivalents comprise</b>			
Cash balance on hand		-	3.04
<b>Balance with scheduled banks in-</b>			
- current accounts		3,048.10	8,760.10
- deposits with less than 3 months maturity		-	-
<b>Total cash and cash equivalents</b>		<b>3,048.10</b>	<b>8,763.14</b>

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

The accompanying notes from 1 to 45 forms integral part of the financial statements.

As per our report of even date

For **Shiv & Associates**

Chartered Accountants

FRN:009989N

Sd/-

**Manish Gupta**

Partner

Membership No.: 085084

Place: New Delhi

Date: 17<sup>th</sup> July, 2017

Sd/-

**Sandeep Goel**

CGM (Finance) & Company Secretary

For and on behalf of Board of Directors of EdCIL (India) Limited

Sd/-

**(Diptiman Das)**

Chairman & Managing Director

DIN: 07255933

Sd/-

**Prof. E Vayunandan**

Independent Director

DIN: 07737382

## EdCIL (India) Limited

### Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended March 31, 2017

#### 1. Corporate Information:

EdCIL (India) Limited ('the Company'), was incorporated in the year 1981. The Company is a Mini Ratna, Category I enterprise under the aegis of the Ministry of Human Resource Development, Government of India. The company has been offering plethora of services in all segments of Education and Human Resource sector.

#### 2 Basis for preparation of Financial Statements

The financial statements are prepared under historical cost convention on an accrual basis, in accordance with the generally accepted accounting principles in India and to comply with the Accounting Standards specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

All assets and liabilities have been classified as current or non-current as per the normal operating cycle of the Company and other criteria as per the guidance set out in the Schedule III to the Companies Act, 2013.

#### 3 Summary of significant Accounting Policies

##### 3.1 Use of Estimates

The preparation of financial statements in conformity with the principles

generally accepted in India requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in the current and future years.

##### 3.2 Revenue from Operations

###### A. Revenues from online testing and assessment

In testing division, there are three identifiable stages involved in conduct of on line examination. Based on this analysis, the company may recognize the revenue as follows:-

Stages	Particulars	Percentage revenue to be recognized as per AS-9
I	Pre-examination activity till the dispatch of admit card	26%
II	Conduct of Examination	71%
III	Declaration of Result	3%

###### B. Revenue from Operations other than online testing and assessment

- a. Income and Expenditure computed on the basis of stage completion method as determined within the framework of the Agreement with the Client.
- b. In the case of projects which are awarded on cost plus basis income is booked on the basis of direct expenditure incurred up to the close of the financial year by adding Company's margin on direct expenditure.
- c. In respect of projects where consultancy fee is paid by the client in term of agreement, income is recognized to the extent of consultancy fees accrued during the year.
- d. Income on Educational Fair is recognized on lump sum basis to the extent of participation fees towards educational fairs receivable from clients.
- e. In respect of the projects where no stage has been achieved, the direct expenditure incurred during the year is booked under Work-in-Progress.

### 3.3 Fixed Assets

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

### 3.4 Depreciation and amortization

- (i) Depreciation on Fixed Assets is charged on Straight Line Method either on the basis of rates arrived at with reference to the useful life of the assets evaluated by Technical Expert in the Company or rates arrived at based on useful life prescribed under Part C of Schedule II of the Companies Act 2013.

- (ii) The cost of capitalized software is amortised over a period of five years from the date of acquisition.

- (iii) Assets costing less than ₹ 5000/- are fully depreciated in the year of acquisition.

### 3.5 Investment

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

### 3.6 Foreign currency transaction

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.

### 3.7 Employee Benefits

#### A. Leave Salary

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**

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".

### **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 provision 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.

### **3.8 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 be materialized into liabilities after the year end till the finalization of accounts and have material effect on the position stated in the Balance Sheet.

### **3.9 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.

### **3.10 Provision for Bad and doubtful debts**

EdCIL has Provisioning Policy for Bad & Doubtful Debts, which stipulates 100% provisioning of Trade Receivables greater than 5 years and if the dues still remain unsettled during sixth year, they will be written off as Bad Debts in the Subsequent year.

## EdCIL (India) Limited

### Notes Forming Part of the Balance Sheet

#### Note : 4 Issued, subscribed and paid-up share capital

(Amounts in lacs, unless stated otherwise)

S.No.	Particulars	As at 31.03.2017	As at 31.03.2016
<b>4.1</b>	<b>AUTHORIZED CAPITAL</b>		
	2,00,000 Equity Shares of ₹100/- each.	200	200
	<b>Total</b>	200	200
	<b>ISSUED, SUBSCRIBED &amp; PAID UP SHARE CAPITAL</b>		
	2,00,000 Equity Shares of ₹100/- each, Fully paid up. Out of the Paid up Capital, 49,996 Equity Shares & 25,004 Equity Shares of ₹100/-each have been issued as Bonus Shares in the F.Y. 2012-13 and 2008-09 respectively.	200	200
	<b>Total</b>	<b>200</b>	<b>200</b>

#### 4.2. Reconciliation of the number of shares (In Absolute Numbers)

S.No.	Particulars	As at 31.03.2017	As at 31.03.2016
	Equity Shares at the beginning of the year	2,00,000	2,00,000
	Add : Shares issued during the year	-	-
	<b>Equity Shares at the end of the year</b>	<b>2,00,000</b>	<b>200000</b>

#### 4.3. Details of Shareholder holding more than 5% share (In Absolute Numbers)

S.No.	Name of Shareholder	As at 31.03.2017		As at 31.03.2016	
		% of Holding	No. of Shares held	% of Holding	No. of Shares held
	President of India	100	200000	100	200000
	<i>The Entire Share Capital of the Company is held by Government of India.</i>				

**4.4. Detail of share allotted otherwise than in Cash in last 5 year (In Absolute Numbers)**

S.No.	Particulars	Year (Aggregate No. of Shares)					
		Total	2016-17	2015-16	2014-15	2013-14	2012-13
	<b>Equity Shares :</b>						
	<b>Fully paid up pursuant to contract(s) without payment being received in cash</b>	-	-	-	-	-	-
	Fully paid up by way of bonus shares	49,996	-	-	-	-	49,996
	<b>Total</b>	<b>49,996</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49,996</b>

**Note : 5 Reserve & Surplus**

S.No.	Particulars	As at 31.03.2017	As at 31.03.2016
<b>1</b>	<b>General Reserve</b>		
	Opening Balance	1,720.61	1,410.95
	Addition During the Year	284.51	309.66
	<b>Closing Balance</b>	<b>2,005.12</b>	<b>1,720.61</b>
<b>2</b>	<b>Surplus (Profit &amp; Loss Account)</b>		
	Opening Balance	3,109.53	1,557.11
	Addition During the Year	2,845.11	3,096.63
	<b>Less : Utilize during the Year</b>		
	<b>Transfer to General Reserve</b>	(284.51)	(309.66)
	Transfer to Staff welfare fund	(28.45)	(30.97)
	Proposed Dividend	-	(1,000.00)
	Dividend Distribution Tax	-	(203.58)
	<b>Closing Balance</b>	<b>5,641.68</b>	<b>3,109.53</b>
<b>3</b>	<b>Staff welfare Fund</b>		
	Opening Balance	37.53	17.30
	Addition During the Year	28.45	30.97
	Less: Utilize During the Year	(17.61)	(10.74)
	<b>Closing Balance</b>	<b>48.37</b>	<b>37.53</b>
<b>4</b>	<b>CSR Fund</b>		
	Opening Balance	-	5.95
	Addition During the Year	-	-
	Less: Utilize During the Year	-	(5.95)

S.No.	Particulars	As at 31.03.2017	As at 31.03.2016
	<b>Closing Balance</b>	-	-
	<b>Total Reserve &amp; Surplus</b>	<b>7,695.17</b>	<b>4,867.67</b>

### Note: 6 Other Long Term Liabilities

S.No.	Particulars	As at 31.03.2017	As at 31.03.2016
1	Security Deposit From Suppliers	148.34	389.14
2	Advance Against Projects	645.18	792.85
	<b>Total</b>	<b>793.52</b>	<b>1,181.99</b>

### Note: 7 Long Term Provisions

S.No.	Particulars	As at 31.03.2017	As at 31.03.2016
	<b>Provision for Employee Benefits</b>		
1	Gratuity	19.95	12.78
2	Earned/Sick Leave Liability##	299.11	265.66
	<b>Total</b>	<b>319.06</b>	<b>278.44</b>

##Earned/ Sick Leave Liability is classified based on actuarial report. Accordingly previous years figures are regrouped or rearranged.

### Note : 8 Trade Payable

S.No.	Particulars	As at 31.03.2017	As at 31.03.2016
	<b>Trade Payable (Projects):-</b>		
	Due to MSME	1.29	1.19
	Due to other than MSME	6,667.48	6,142.02
	<b>Total</b>	<b>6,668.77</b>	<b>6,143.21</b>

### Note : 9 Other Current Liabilities

S.No.	Particulars	As at 31.03.2017	As at 31.03.2016
1	Advance Against Projects	3,167.27	4,690.12
2	Security Deposited From Suppliers	536.73	324.49
3	Duties & Taxes	305.43	199.92
4	Other Liabilities	1,351.19	1,392.83
	<b>Total</b>	<b>5,360.62</b>	<b>6,607.36</b>

### Note : 10 Short Term Provisions

S.No.	Particulars	As at 31.03.2017	As at 31.03.2016
1	Income Tax #	663.55	1,765.97
2	Proposed dividend	-	1,000.00
3	Tax on Proposed Dividend	-	203.58
4	<b>Provision for Employee Benefits</b>		
	(i) Earned/Sick Leave Liability ##	22.82	25.68
	(ii) Performance Related Pay (PRP)	47.34	228.69
	(iii) Ex- Gratia	15.93	-
	(iv) Leave Travel Concession	-	4.62
	<b>Total</b>	<b>749.64</b>	<b>3,228.54</b>

# In Current Year, Provision for tax and advance tax are net off as per AS-22 requirement. Accordingly previous years figures are regrouped or rearranged.

## Earned/ Sick Leave Liability is classified based on actuarial report. Accordingly previous years figures are regrouped or rearranged.





**Note No. 11 SCHEDULE OF FIXED ASSETS AS AT 31<sup>st</sup> MARCH, 2017**  
**AS PER COMPANIES ACT, 2013**

S. No.	Item of Assets	1	2	GROSS BLOCK			5	6	ACCUMULATED DEPRECIATION				9	10	11
		As at April 1, 2016	Reclassification	Addition during the year	Deletions during the year	Total as at 31.03.2017	Upto 01.04.2016	Reclassification	Depreciation for the year	Sale/adj. during the year	Total as at 31.03.2017	As at 31.03.2017	As at 31.3.2017	NET BLOCK	
	<b>(A) TANGIBLE ASSETS</b>														
1	Leasehold Land	212.63	-	-	-	212.63	47.84	-	2.36	-	50.20	162.42	164.78		
2	Building	226.56	-	-	-	226.56	66.60	-	3.55	-	70.14	156.41	159.96		
3	Electrical Equip. & A. C.	175.83	-	27.36	4.49	198.70	95.41	-	14.04	3.92	105.53	93.17	80.42		
4	Office Machinery & Equipt.	68.41	-	8.39	7.27	69.54	58.95	-	3.58	6.78	55.75	13.78	9.46		
5	Furniture & Fixtures	120.57	-	8.16	8.60	120.13	109.15	-	2.77	8.35	103.56	16.57	11.42		
6	Vehicles	15.76	-	-	0.01	15.75	11.87	-	2.40	0.01	14.26	1.49	3.89		
7	Computer System-Hardware	161.65	-	35.55	64.91	132.29	155.47	-	6.98	64.03	98.42	33.87	6.18		
8	Computer Server & Networks	37.72	(2.04)	-	1.03	34.65	29.56	(1.03)	2.90	1.03	30.40	4.25	8.16		
9	Fire Extinguisher	18.73	-	-	-	18.73	16.10	-	0.34	-	16.43	2.30	2.64		
10	Carpet & Venetian Blinds	13.92	-	0.23	-	14.15	12.69	-	0.28	-	12.97	1.18	1.22		
	<b>TOTAL (A)</b>	<b>1,051.77</b>	<b>(2.04)</b>	<b>79.69</b>	<b>86.31</b>	<b>1,043.11</b>	<b>603.64</b>	<b>(1.03)</b>	<b>39.19</b>	<b>84.13</b>	<b>557.67</b>	<b>485.44</b>	<b>448.13</b>		
	<b>(B) INTANGIBLE ASSETS</b>														
11	Computer Software(ERP)	14.25	-	-	-	14.25	5.23	-	1.42	-	6.65	7.60	9.02		
12	Computer Software	6.59	2.04	0.12	-	8.76	1.95	1.03	1.48	-	4.46	4.30	4.64		
	<b>TOTAL (B)</b>	<b>20.84</b>	<b>2.04</b>	<b>0.12</b>	<b>-</b>	<b>23.01</b>	<b>7.18</b>	<b>1.03</b>	<b>2.90</b>	<b>-</b>	<b>11.11</b>	<b>11.89</b>	<b>13.66</b>		
	<b>(C) CAPITAL WIP</b>														
13	Extension Of Building	1.40	-	0.75	-	2.15	-	-	-	-	-	2.15	1.40		
	<b>TOTAL (C)</b>	<b>1.40</b>	<b>-</b>	<b>0.75</b>	<b>-</b>	<b>2.15</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.15</b>	<b>1.40</b>		
	<b>(D) Intangible Asset under Development</b>														
14	ERP Software	-	-	12.00	-	12.00	-	-	-	-	-	12.00	-		
	<b>TOTAL (D)</b>	<b>-</b>	<b>-</b>	<b>12.00</b>	<b>-</b>	<b>12.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12.00</b>	<b>-</b>		
	<b>Grand Total (A+B+C+D)</b>	<b>1,074.01</b>	<b>-</b>	<b>92.56</b>	<b>86.31</b>	<b>1,080.27</b>	<b>610.82</b>	<b>-</b>	<b>42.10</b>	<b>84.13</b>	<b>568.78</b>	<b>511.49</b>	<b>463.20</b>		
	Previous year figures	1,057.86	-	16.31	0.16	1,074.01	576.04	-	34.96	0.19	610.82	463.20	481.82		

**NOTE : 12 Defferred Tax Assets (Net)**

S.No.	Particulars	As at 31.03.2017	As at 31.03.2016
<b>A</b>	<b>Deferred Tax Assets:</b>		
1	Provision for Leave Salary	111.41	100.83
2	Provision for Doubtful Debts & Advances	52.56	50.21
3	Provision for Project Expenses	12.12	262.44
4	Provision for LTC	-	1.60
5	Provision for Gratuity	6.91	4.42
6	Provision for ESI	-	7.20
7	Provision for PRP	16.38	79.14
8	Provision for Ex Gratia	5.51	-
9	Provision for holiday home	0.44	-
10	Provision for post retirement medical benefits	0.69	-
	<b>Sub-Total (A)</b>	<b>206.02</b>	<b>505.85</b>
<b>B</b>	<b>Deferred Tax Liabilities:</b>		
1	Depreciation	32.50	50.14
	<b>Sub-Total (B)</b>	<b>32.50</b>	<b>50.14</b>
	<b>Defferred Tax Assets (Net) (A-B)</b>	<b>173.52</b>	<b>455.71</b>

**NOTE : 13 Long Term Loans and Advances**

S.No.	Particulars	As at 31.03.2017	As at 31.03.2016
<b>1</b>	<b>Advance to Suppliers and others</b>		
	a) Unsecured, Considered Good	-	25.22
	b) Unsecured, Considered Doubtful	24.34	14.09
	Less : Allowance for doubtful Advances	(24.34)	(14.09)
<b>2</b>	<b>Capital Advances</b>		
	Doubtful	35.37	35.37
	Less : Allowance for doubtful Advances	(35.37)	(35.37)
<b>3</b>	<b>Security Deposits</b>		
	Unsecured, Considered Good	135.50	121.31
<b>4</b>	<b>Other Loans &amp; Advances</b>		
	<b>Secured, Considered Good</b>		
	Loan to Employee	1.52	7.99
	<b>Total</b>	<b>137.02</b>	<b>154.52</b>

**NOTE : 14 Inventories**

S.No.	Particulars	As at 31.03.2017	As at 31.03.2016
1	Goods in Transit	2,251.38	-
2	Civil-Work in Progress	9.85	34.78
	<b>Total</b>	<b>2,261.23</b>	<b>34.78</b>

**NOTE : 15 Trade Receivables**

S.No.	Particulars	As at 31.03.2017	As at 31.03.2016
<b>1</b>	<b>More than Six Months</b>		
	a) Unsecured, Considered Good	4,140.94	41.42
	b) Doubtful	92.16	95.62
	Less: Allowance for doubtful debts	(92.16)	(95.62)
<b>2</b>	<b>Others</b>		
	a) Unsecured, Considered Good	5,611.10	6,947.54
	<b>Total</b>	<b>9,752.04</b>	<b>6,988.96</b>

**NOTE : 16 Cash & Cash Equivalent**

S.No.	Particulars	As at 31.03.2017	As at 31.03.2016
<b>1</b>	<b>Cash and Cash equivalents (as per AS 3 Cash Flow Statement)</b>		
a)	Cash Balance	-	3.04
b)	Balance with Scheduled Banks		
	In Current Accounts	3,047.81	5,290.03
	IN EEFC Account	0.29	0.07
c)	Fixed Deposits maturing in 3 months	-	3,470.00
	<b>Cash and Cash equivalents (as per AS 3 Cash Flow Statement) Sub Total (A)</b>	<b>3,048.10</b>	<b>8,763.14</b>
<b>2</b>	<b>Other Bank Balances</b>		
a)	In Fixed Deposits (Free)	2,381.00	3,564.44
b)	In Fixed Deposits (Lien against Bank Gurantee)	2.99	2.37
	<b>Sub Total (B)</b>	<b>2,383.99</b>	<b>3,566.81</b>
	<b>Total [ A + B]</b>	<b>5,432.09</b>	<b>12,329.95</b>

**NOTE : 17 Short Terms Loans and Advances**

S.No.	Particulars	As at 31.03.2017	As at 31.03.2016
<b>1</b>	<b>Secured Considered Good</b>		
	a) Loan to Employees	7.31	2.21
	b) Tour Advance to Staff	30.85	44.13
<b>2</b>	<b>Unsecured, Considered Good</b>		
	a) Tax Deducted at source	1,106.66	863.62
	b) Service Tax	618.90	100.83
	c) VAT	120.08	-
	d) Advance to Supplier and others	335.90	292.10
	<b>Total</b>	<b>2,219.70</b>	<b>1,302.89</b>

**NOTE : 18 Other Current Assets**

S.No.	Particulars	As at 31.03.2017	As at 31.03.2016
1	Interest accrued but not due on fixed deposits	16.11	179.77
2	Income accrued but not due	792.71	-
3	Income Tax Refund Receivable	387.57	386.23
4	Prepaid Expenses	12.02	12.19
<b>5</b>	<b>Work-in-Progress</b>		
	a) Services	91.30	199.01
	<b>Total</b>	<b>1,299.71</b>	<b>777.20</b>

**NOTE : 19 Revenue from Operation**

S.No.	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>1*</b>	<b>Income from Online Testing And Assessment Services</b>	<b>10,469.42</b>	<b>10,235.12</b>
<b>2</b>	<b>Income from TSG Projects</b>		
a)	Income from NLMA	202.93	343.93
b)	Income From TEQIP	550.05	1,357.81
c)	Income from SSA Project	873.18	963.13
d)	Income from GHP/NSIGSE	32.68	35.21
e)	Income from MDM	257.45	281.05

S.No.	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
f)	Income from RMSA	519.65	461.58
g)	Income from Monitoring Instt.(SSA)	133.90	288.49
h)	Income from NMEICT	173.91	216.34
i)	Income from PMMMNMTT	117.97	-
j)	Income from SWAYAM	87.49	-
k)	Income from HESPIS	59.40	-
l)	Income from Teachers Education Project	127.90	111.58
m)	Income from Monitoring Instt.(RMSA)	59.02	169.89
3**	Income from Educational Infrastructure Services	207.80	203.35
4	Income From Overseas Education Services		
a)	Income from Placement	138.23	197.96
b)	Income From Educational Fairs	151.49	-
c)	Income from Secondment	-	3.10
5	<b>Income from other Projects (Admin &amp; Advisory Projects)</b>	880.46	1,279.51
6***	<b>Income from Skilling &amp; Training Services</b>	690.93	824.17
7****	<b>Sale</b>	87.97	55.94
	<b>Total</b>	<b>15,821.83</b>	<b>17,028.17</b>

\* From FY 2016-17, vertical name has been changed from Recruitment Services Division (RSD) to Online Testing & Assessment Services (OTAS).

\*\* From FY 2016-17, vertical name has been changed from Institutional Development Division to Educational Infrastructure Services.

\*\*\* From FY 2016-17, vertical name has been changed from Initiative, Innovation and Institutionalisation Division (I<sup>3</sup>) to Skilling and Training Services (STS).

\*\*\*\* Sale include sale for Digital Education Services and sale for Educational Procurement Services.



**NOTE : 20 Other Income**

S.No.	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
1	Interest from Bank Deposits	307.44	492.93
2	Exchange Variation Gain / (Loss)	0.99	6.68
3	Provisions written back	349.75	-
4	Liability written back	128.18	-
5	Advances written back	182.27	-
6	Rental Income	23.91	24.15
7	Other Income	7.50	4.04
	<b>Total</b>	<b>1,000.04</b>	<b>527.80</b>

**NOTE : 21 Project Expenses**

S.No.	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>1</b>	<b>Expenditure on Online Testing And Assessment Services</b>	<b>5,131.20</b>	<b>5,364.06</b>
<b>2</b>	<b>Expenditure on TSG Projects</b>		
a)	Expenditure on NLMA	178.02	301.96
b)	Expenditure on TEQIP	474.18	1,246.52
c)	Expenditure on SSA	767.30	851.38
d)	Expenditure on GHP/NSIGSE	28.67	30.95
e)	Expenditure on MDM	225.84	246.78
f)	Expenditure on RMSA	455.86	340.06
g)	Expenditure on Monitoring Instt. (SSA)	127.52	274.75
h)	Expenditure on NMEICT	165.63	206.15
i)	Expenditure on PMMM-NMTT	104.14	-
j)	Expenditure on SWAYAM	83.32	-
k)	Expenditure on HESPIS	52.11	-
l)	Expenditure on Teachers Education Project	112.19	97.88
m)	Expenditure on Monitoring Instt.(RMSA)	56.21	161.80
<b>3</b>	<b>Expenditure on Educational Infrastructure Services</b>	<b>173.96</b>	<b>210.39</b>
<b>4</b>	<b>Expenditure on Overseas Education Services</b>		
a)	Expenditure on Placement	15.90	8.13

S.No.	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
b)	Expenditure on Education Fair	108.61	-
c)	Expenditure on Secondment	-	0.19
<b>5</b>	<b>Expenditure on Other Projects (Admin &amp; Advisory Projects)</b>	<b>671.05</b>	<b>909.89</b>
<b>6</b>	<b>Expenditure on Skilling &amp; Training Services</b>	<b>413.24</b>	<b>743.93</b>
	<b>Total</b>	<b>9,344.95</b>	<b>10,994.82</b>

**NOTE : 22 Purchase of stock-in-trade**

S.No.	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
1	Purchase	2,332.48	50.47
	<b>Total</b>	<b>2,332.48</b>	<b>50.47</b>

**NOTE : 23 Change in Inventories**

S.No.	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
1	Opening		
	Work in Progress	233.80	308.44
	Less: Opening work in progress adjusted against provision	<b>(15.87)</b>	-
	<b>Adjusted Opening Work in Progress</b>	<b>217.93</b>	<b>308.44</b>
<b>2</b>	<b>Closing</b>		
a)	Work in Progress- Civil	9.85	233.80
b)	Goods in Transit	2,251.38	-
	<b>Decrease /(Increase)</b>	<b>(2,043.30)</b>	<b>74.64</b>

**NOTE : 24 Employee Benefit Expenses**

S.No.	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
1	Salaries and Allowances	1,103.99	981.70
2	Rent of Officers' Accommodation	10.82	7.52
3	Contribution to Provident Fund	89.01	75.89
4	Contribution to Employee State Insurance	0.70	0.85
5	Gratuity	41.75	27.56

S.No.	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
6	Group Insurance	1.20	2.64
7	Medical Insurance	6.04	-
8	Productivity Linked Incentives (PRP)	37.32	210.28
9	Ex Gratia Payment	54.03	-
10	Medical Expenses	67.79	51.61
11	Welfare Expenses	29.60	15.13
12	Seminar & Training	23.41	10.53
	<b>Total</b>	<b>1,465.66</b>	<b>1,383.73</b>

### NOTE : 25 Other Expenses

S.No.	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
1	Recruitment Expenses	5.68	5.14
2	Postage, Telephone & Telex	12.03	10.41
3	Travelling & Conveyance	47.55	22.87
4	Electricity & Water Charges	32.21	30.11
5	Generator Set Exp.	11.91	7.55
6	Office Insurance	1.10	4.56
7	Car Running & Maintenance	7.35	3.15
8	Printing & Stationery	30.53	19.92
	<b>Repairs &amp; Maintainance</b>		
9	Office Equipment	22.14	16.47
10	Premises	41.12	20.61
11	Advertisement & Publicity	88.80	36.20
12	Legal & Professional Charges	405.73	12.34
	<b>Auditors' Remuneration</b>		
13	Statutory Audit Fee	2.35	2.50
14	Tax Audit Fee	2.00	1.50
15	Bank Charges	0.21	0.35
16	Miscellaneous Expenses	16.23	5.62
17	Membership and Subscription	4.61	1.46
18	Board Meetings Expenses	2.33	7.46
19	Books & Periodicals	1.32	0.67
20	Consultancy fee	66.29	23.84
21	Ground Rent	10.19	4.50

S.No.	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
22	Business Promotion Expenses	23.42	5.58
23	Interest & Penalty	2.29	3.81
24	Bad Debts & Doubtful Advances	29.51	16.44
25	Security Expenses	37.26	33.01
	<b>Total</b>	<b>904.16</b>	<b>296.07</b>

### Note : 26 Exceptional Items

S.No	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
1	Profit/(Loss) on Sale of Fixed Asset	(0.95)	0.02
	<b>Total</b>	<b>(0.95)</b>	<b>0.02</b>

### Note : 27 Prior Period Income (Net)

S.No	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
1	Prior Period Income	0.05	0.78
2	Prior Period Expenditure	(0.07)	(3.06)
	<b>Net Prior Period Income/(Expenditure)</b>	<b>(0.02)</b>	<b>(2.28)</b>

## 28. Employee Benefit Obligations

The disclosures regarding the employee benefit plans applicable to the employees of the Company are as follows:

### Defined Benefit plan

**A.** The principal actuarial assumptions used for gratuity benefit plan were as follows:

Particulars	Gratuity		Leave encashment	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Discount rate	7.50%	8.00%	7.50%	8.00%
Future salary increase	5.50%	5.50%	5.50%	5.50%
Rate of return on plan assets	7.50%	8.35%	-	-

**B.** The components of amounts recognised in the statement of profit and loss for employee benefit plans are as follows:

Particulars	Gratuity		Leave encashment	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Current/Past service cost	31.47	27.32	28.19	21.09
Interest cost	37.14	32.6	23.31	19.68
Expected return on plan asset	(36.2)	(34.27)	-	-
Actuarial loss	9.34	7.58	29.32	31.33
Acquisition/Business combination/Divestiture	-	-	-	-
Expense to be recognised in statement of profit and loss	41.75	33.23	80.81	72.1

C. The movements in the benefit obligations for employee benefits plan over the period are as follows:

Particulars	Gratuity		Leave encashment	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Beginning of year	464.25	407.48	291.34	246.04
Current/Past service cost	31.47	27.32	28.19	21.07
Interest cost	37.14	32.6	23.30	19.69
Acquisition/Business combination	-	-	-	-
Actuarial loss	8.71	7.67	29.32	31.33
Benefits paid	(34.96)	(10.81)	(50.22)	(26.79)
End of period	506.61	464.25	321.93	291.34

D. Changes in the fair value of plan assets of gratuity fund from beginning to end of reporting period is as follows:-

Particulars	Gratuity	
	March 31, 2017	March 31, 2016
Plan assets at beginning of the period	451.47	388.96
Return on plan assets	37.07	34.35
Contribution	34.58	40.4
Acquisition/Business combination/Divestiture	-	-
Benefits payments	(34.96)	(10.81)
Fund management charges	(1.50)	(1.43)
Fair value of plan assets at the end of the period	486.66	451.47

E. Outsourced/contractual staff provided to MHRD for TSG Projects of MHRD for which EdCIL is not liable to pay gratuity.

F. The insurance premium towards the post retirement medical benefits of retiree/superannuated employees has been provided on the basis of premium rate applicable to existing contractual employees.



**Defined Contribution plan:**

Particulars	March 31, 2017	March 31, 2016
Employers' contribution to provident fund	89.01	75.89
Employer's contribution as per Employees's State Insurance Act, 1948	0.7	0.85

During the current year, the company has included "Leave travel compensation" as part of its fixed perks on basic pay and henceforth no separate provision for leave travel compensation is required to be made at the end of the reporting period (Previous Year - ₹ 4.62 lakhs)

**29.** During the year, the Company distributed Ex-gratia to its contractual & non executive regular employees for FY-2014-15 and FY-2015-16 with the purpose to reward their contribution towards the growth of the Company. The same was given as per the method approved by the Board of Directors. The amount so calculated ₹ 38.09 lakh has been included in note no. 24. "Employee Benefit expense".

**30. Related party transactions:**

In accordance with the requirements of Accounting Standard - 18 'Related Party Disclosures' the names of the related party where control/ability to exercise significant influence exists, along with the aggregate amount of transactions and period end balances with them as identified by the management are given below:

Name of the related party	Nature of relationship
Diptiman Das	Chairman and Managing Director

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Salary and Allowance	20.67	13.63
Defined Contribution	2.48	1.64
Performance related pay	7.86	-
Medical, Leased Accommodation, LTC and other perquisites	4.77	7.29
<b>Total</b>	<b>35.78</b>	<b>22.56</b>

- A. The Company has provided an air-conditioned car to the Chairman & Managing Director for official and private use in terms of Ministry of Finance, Department of Expenditure Circular No. 4(12)/82-BPE (WC) dated 01.04.1987 as amended from time to time. A sum at the rate of ₹ 2000/- is being recovered towards the use of car for personal purposes in terms of the above letter.
- B. The Company has provided furnished leased accommodation to CMD. A sum of ₹ 1.05 lakhs (Previous Year: Rs 0.64 lakhs) has been recovered towards House Rent Recovery and soft furnishing recovery.
- C. The Company has incurred ₹ 1.82 lakhs (Previous Year: ₹ 0.33 lakhs) as Inland travel and Nil (Previous Year: ₹2.06 lakhs) as foreign travel for CMD's official travel during the year.

### 31. Earnings in foreign exchange (accrual basis):

Particulars	March 31, 2017	March 31, 2016
Revenue from Placement Project	49.25	111.23

### 32. Expenses in foreign currency (accrual basis):

Particulars	March 31, 2017	March 31, 2016
Travelling(Foreign)-Director	-	2.06
Travelling(Foreign)-Others	4.19	9.12

### 33. Disclosure of construction contracts (AS-7)

Particulars	March 31, 2017	March 31, 2016
Contract revenue recognized during the year	177.65	192.76
Aggregate amount of Costs incurred upto reporting date	432.63	270.77
Recognized profits upto reporting date	72.82	57.04
Amount of advances received	-	-
Gross amount due from customers for the contract work presented as an asset.	-	-

34. The company has carried out the assessment on impairment of assets in terms of AS 28 "Impairment of Assets", as there is no impairment in the assets; no impairment loss has been recognized during the year.
35. Note on Corporate Social Responsibility u/s 135 of the Companies act -2013 and rules made there under:

CSR Expenditure	March 31, 2017	March 31, 2016
(a) Gross amount required to be spent by the Company during the year	45.43	19.54
(b) Amount spent during the year on:		
Procurement of study materials for kalinga institute for Social sciences for school students	-	4.44
Distribution of artificial limbs/aids to handicapped people of jind	-	21.98
Swacch Bharat, Government of India	16	-
Enhancement of sports education by supporting two tribal sisters who won six gold medals, Support provided to Sport Authority of Gujarat for Luladiya institute high school.	10	-
RAN-HMCPF, ministry of Health & family Welfare, Govt. of India	10	-
Disabled Regain Mobility & Dignity, BMVSS	10	-
Amount left unspent	-	-

### 36. Contingent Liability

1. In respect of pending court cases by/against ex-employees amount is indeterminable.
2. Bank Performance Guarantee issued by banks on behalf of Company amounting to total of ₹ 2.74 lakhs issued to Indian National Defence University (Previous Year ₹ 2.37 lakhs).
3. The Company was awarded the construction of eleven residential school complexes in Karnataka. The Company did not pay the amounts due to M/s. Vinyasa Engineers Pvt. Ltd. on account of delays in the receipt of the final payments from the Government of Karnataka by nearly 1.5 years. The party filed an arbitration claim against the Company and the Arbitrator passed an award amounting to ₹ 1.77 Crores against the Company during 2008-09. The Company did not accept this claim and challenged it in the court of Civil Judge, Bangalore. The Company has paid ₹ 0.48 Lakhs towards settlement against R.A. Bill of the Contractor in respect of which provision already existed in the Books of accounts. However for the balance, the matter is pending before the City Civil Court, Bangalore. Another Creditor amounting to ₹ 0.12 Lakhs is already been carried forward in the books of account. The company expects a verdict in its favour and hence the provision for the balance amount of ₹ 1.17 Crores (Previous Year: ₹ 1.17 Crores) has not been made in the books of accounts.
4. M/s. Multiplzone had filed civil suit in the lower court for recovery of ₹ 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 ₹ 7.68 lacs is existing in the books of accounts.

5. An applicant has filed a suit in UP state Consumer Dispute Redressal Commission, Lucknow for redressal of deficiencies in the service for not providing admit card for the entrance examination for IIIT Hyderabad. The Forum awarded ₹ 0.06 lakhs plus interest to the applicant. The Company has filed an appeal against the same citing the fact that there was no consumer-service provider relationship between the Company and the applicant and hence no provision for the same has been made in the books of accounts for the said sum of ₹ 0.06 lakhs(Previous Year: 0.06 lakhs).
6. A default of Rs 9.48 lakhs(Previous year: ₹ 222.81 lakhs) is been reflected in TRACES on account of TDS as at the date of signing of financial statements.

### 37. Note on Demonetization

*Amounts in INR*

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	-	-	-
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on December 30, 2016	-	-	-

38. Based on the information available and on basis of claim in response of creditor confirmation letters sent, the Company has identified two vendors (previous year no vendors) as micro and small enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006.
39. The Company has identified the following Business segments as primary segments in accordance with the requirements of AS-17,"Segment reporting":
  - (a) Online Testing and Assessment Services (OTAS)
  - (b) Technical Support Group (TSG)
  - (c) Others

Company anticipates no secondary segments.

	Particulars	Year ended 31 March 2017	Year ended 31 March 2016
<b>(A)</b>	Revenue from external customers on the basis of business segments		
	Online Testing and Assessment Services	10,469.42	10,235.12
	Technical Support Group	3,195.54	4,229.02
	Others	2,156.89	2,564.03
		<b>15,821.85</b>	<b>17,028.17</b>
<b>(B)</b>	Expenses on the basis of business segments		
	Online Testing and Assessment Services	5,131.20	5,364.06
	Technical Support Group	2,831.00	3,758.23
	Others	1,671.94	1,997.65
		<b>9,634.14</b>	<b>11,119.94</b>
<b>(C)</b>	Net Result of the business segments identified		
	Online Testing and Assessment Services	5,338.22	4,871.06
	Technical Support Group	364.54	470.79
	Others	484.95	566.38
	Net Operating profits	6,187.71	5,908.23
	Other Incomes	1,000.04	527.80
	Unallocated Expenses	2,458.14	1,737.55
	Net Profits before tax	4,729.61	4,698.51
	Provision for taxation/ Deferred tax	1,883.53	1,601.86
	<b>Profits after tax</b>	<b>2,846.08</b>	<b>3,096.63</b>
<b>(D)</b>	Total Assets of the business segments identified as at March 31, 2017		
	Online Testing and Assessment Services	8,941.12	6,043.05
	Technical Support Group	48.41	414.30
	Others	877.39	7,084.49
	Unallocated	11,919.92	8,965.37
		<b>21,786.84</b>	<b>22,507.21</b>

	Particulars	Year ended 31 March 2017	Year ended 31 March 2016
<b>(E)</b>	Total Liabilities of the business segments identified as at March 31, 2017		
	Online Testing and Assessment Services	3,581.86	5,329.25
	Technical Support Group	93.87	183.97
	Others	3,054.29	697.12
	Unallocated	7,161.60	11,229.19
		<b>13,891.62</b>	<b>17,439.53</b>

#### 40. Remuneration to Auditors:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
As Auditor		
· For Statutory Audit	2.25	2.25
· For Tax Audit	1.50	1.50
As Advisor and in any other capacity:		
· For Certification	3.39	1.40
[ included in project Expenditure]		
PF Trust Audit	0.25	-
Out of Pocket Expenses	0.10	0.25
<b>Total</b>	<b>7.49</b>	<b>5.40</b>

#### 41. The Company has written back the following long outstanding liabilities:

- Unutilized provisions- ₹ 349.75 lakhs (Previous year- Nil).
- long outstanding Payables & stale cheques- ₹ 90.23 lakhs (Previous year-Nil), standing for more than 6 years
  - Earnest money deposits- ₹ 9.85 lakhs (Previous year- Nil), standing for more than 5 years.
  - Retention money- ₹ 10.25 lakhs (Previous year- Nil).
  - Long outstanding balances of ESI of ₹ 17.85 lakhs (Previous year- Nil) as these amounts are not foreseeable.
- Advances received from customers- ₹ 182.27 lakhs (Previous year-Nil), standing for more than 6 years.



The same pertains to projects which have been long completed and against which no demands have been received by the company in the respective period of time.

- d. As per the accounting policy, Debtors amounting to ₹ 22.71 lakhs which were due for more than six years and already provided are written off.

## 42. Reconciliation of the Provisions made\*

Particulars	Employee Benefits	Proposed Dividend (Including DDT)	Income tax	Total
Carrying amount of provision at the beginning of the period	537.43 (331.72)	1,203.58 (2,40.72)	1,765.97 (544)	3,506.98 (1,116.44)
Addition provision made, including increases to existing provision	175.82 (3,21.71)	- (1,203.58)	1,563.55 (1,820.24)	1,739.37 (3,345.53)
Amounts used/reversal during the period	308.09 (116)	1,203.58 (2,40.72)	2,665.97 (598.27)	4,177.64 (954.99)
Carrying amount of provision at the end of the period	405.16 537.43)	- (1,203.58)	663.55 (1,765.97)	1,068.71 (3,506.98)

\*amounts in brackets represent previous year's numbers.

- 43.** During the year, the Company engaged M/s McKinsey & Company for preparation of Medium Term Strategy for the period 2016-17 to 2025-26. Company has recognized 378 lakh as an expense during the year as legal & professional expenses regarding the same. The same has not been capitalized as it does not qualify to be an intangible asset definition as per Accounting Standard-26 "Intangible Assets".
- 44.** Board of Directors has proposed dividend on equity shares of ₹ 1000 Lakh (Ex. Dividend Distribution Tax) for the FY 2016-17 and is subject to approval of shareholders at the annual general meeting of company.
- 45.** Previous year figures have been regrouped or reclassified wherever considered necessary.

As per our report of even date  
For **Shiv & Associates**  
Chartered Accountants  
FRN:009989N

Sd/-  
**Manish Gupta**  
Partner  
Membership No.: 085084

Place: New Delhi  
Date: 17<sup>th</sup> July, 2017

Sd/-  
**Sandeep Goel**  
CGM (Finance) & Company Secretary

For **and on behalf of Board of Directors of EdCIL (India) Limited**  
Sd/-  
**(Diptiman Das)**  
Chairman & Managing Director  
DIN: 07255933

Sd/-  
**Prof. E Vayunandan**  
Independent Director  
DIN: 07737382

## COMMENTS BY CAG

### COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF EdCIL (INDIA) Limited FOR THE YEAR ENDED 31st MARCH 2017

The preparation of financial statements of **EdCIL (INDIA) Limited** for the year ended 31<sup>st</sup> March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated **17<sup>th</sup> July 2017**.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6) (a) of the Act of the financial statements of **EdCIL (INDIA) Limited** for the year ended 31 March 2017. This supplementary audit has been carried out independently without access to the 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 matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report:-

#### Balance Sheet

#### Non Current Liabilities

**Other Long Term Liabilities (Note 6) :- ₹ 793.52 lakh**

**Advance Against Projects:- ₹ 645.18 lakh**

The above does not include ₹ 109.72 lakh being the amount payable to Ministry of Human Resource Development (MHRD) against National Project Implementation Unit (NPIU) for the Technical Education Quality Improvement Programme of Government of India. Against the advance of

₹ 997.50 lakh received in February 2013 from MHRD, the Company deposited ₹ 109.72 lakh as service tax in March 2013 and reduced the advance amount received from MHRD by the same amount. MHRD did not agree with the adjustment and stated that service tax on payment of ₹ 997.50 lakh was never agreed upon and therefore amount of service tax will have to be borne by the Company.

This has resulted into understatement of other long term liabilities (advances against projects) and overstatement of profit for the period by ₹ 109.72 lakh

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

Place: New Delhi

Date: 12.09.2017



**(L.Siddhartha Singh)  
Principal Director of Commercial Audit &  
Ex-Officio Member, Audit Board-IV**

 **EdCIL (India) Limited**  
( A GOVERNMENT OF INDIA MINI RATNA ENTERPRISE )











# EdCIL (India) Limited

(A Mini Ratna Category-I CPSE Under Government of India)

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