

IEC EDUCATION LIMITED
(CIN : L74899DL1994PLC061053)

REGD OFFICE : M-92, CONNAUGHT PLACE, NEW DELHI-110001. Website: <http://www.iecgroup.in>, Tel.No.011-69111192.

AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2017.

(Rs.in Lakhs)

SL.NO.	PARTICULARS	STANDALONE				CONSOLIDATED		
		QUARTER ENDED		YEAR ENDED		YEAR ENDED		
		31/03/2017 (Audited)	31/12/2016 (Unaudited)	31/03/2016 (Audited)	31/03/2017 (Audited)	31/03/2016 (Audited)	31/03/2017 (Audited)	
1	Income :							
	Revenue from Operations	3.72	9.85	76.89	53.42	190.12	53.5	190.27
	Other Income	2.11	0.08	0.97	2.43	1.34	2.43	1.34
	Total Income	5.83	9.93	77.86	55.85	191.46	55.93	191.61
2	Expenses :							
	Cost of Materials Consumed	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Purchase of Stock in Trade	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Increase / decrease in inventory of Finished Goods	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Employee Benefit Expenses	7.05	7.05	20.34	33.95	38.75	35.48	41.02
	Finance Cost	0.67	0.07	0.06	0.92	0.45	0.92	0.45
	Depreciation and Amortisation	9.85	13.63	5.14	50.74	54.52	50.74	54.52
	Other Expenses	13.04	2.75	52.09	27.07	85.63	27.61	87.65
	Total Expenses	30.61	23.50	77.63	112.68	179.35	114.75	183.64
3	Profit / (Loss) before exceptional items and Tax	(24.78)	(13.57)	0.23	(56.83)	12.11	(58.82)	7.97
4	Exceptional Items	(0.18)	0.00	0.00	(0.18)	0.00	(0.18)	0.00
5	profit / (Loss) before extraordinary items and Tax	(24.96)	(13.57)	0.23	(57.01)	12.11	(59.00)	7.97
6	Extraordinary Items	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7	Profit / (Loss) before Tax	(24.96)	(13.57)	0.23	(57.01)	12.11	(59.00)	7.97
8	Tax Expense							
	current Tax	0.97	0.00	(2.21)	0.00	(11.36)	0.00	(11.36)
	Deferred Tax	8.02	0.00	7.60	8.02	7.60	8.02	7.60
9	Profit / (Loss) for the Period	(15.97)	(13.57)	5.62	(48.99)	8.35	(50.98)	4.21
10	Share of Profit/Loss of associates	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11	Minority Interest	0.00	0.00	0.00	0.00	0.00	0.97	2.03
12	Net Profit / (Loss) after tax, share of profit/(loss) of associates and Minority Interest	(15.97)	(13.57)	5.62	(48.99)	8.35	(50.01)	6.24
12	No. of Equity Shares	1526.00	1526.00	1526.00	1526.00	1526.00	1526.00	1525.60
13	Earnings per equity share							
	Basic	(0.10)	(0.09)	0.04	0.32	0.05	(0.33)	0.04
	Diluted	(0.10)	(0.09)	0.04	0.32	0.05	(0.33)	0.04

(Rs.in Lakhs)

SEGMENTWISE REVENUE, RESULTS, ASSETS AND LIABILITIES UNDER REGULATION 33 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENT) REGULATIONS, 2015

SL.NO.	PARTICULARS	STANDALONE					CONSOLIDATED	
		QUARTER ENDED			YEAR ENDED		YEAR ENDED	
		31/03/2017 (Audited)	31/12/2016 (Unaudited)	31/03/2016 (Audited)	31/03/2017 (Audited)	31/03/2016 (Audited)	31/03/2017 (Audited)	31/03/2016 (Audited)
1	Segment Revenue (Net) :							
a	Other Educational services to Institutions	3.72	9.85	76.89	53.42	190.12	53.50	190.27
b	Income from Franchisee receipts/other operating Income	2.11	0.08	0.97	2.43	1.34	2.43	1.34
	Total	5.83	9.93	77.86	55.85	191.46	55.93	191.61
	Less : Inter Segment Revenue	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Net sales/Income from Operations	5.83	9.93	77.86	55.85	191.46	55.93	191.61
2	Segment Results-Profit/(Loss) before tax and Interest :							
a	Other Educational services to Institutions	(23.34)	(10.96)	3.36	(51.71)	(52.79)	(53.60)	(54.37)
b	Income from Franchisee receipts/other operating Income	(0.77)	(2.54)	(3.07)	(4.20)	65.35	(4.30)	62.79
	Less : Finance Cost	0.67	0.07	0.06	0.92	0.45	0.92	0.45
	Less : Other unallocable (expenses) net of unallocable income	0.18	0.00	0.00	0.18	0.00	0.18	0.00
	Total Profit / (Loss) Before Tax	(24.96)	(13.57)	0.23	(57.01)	12.11	(59.00)	7.97
	Loss of Discontinued Operation	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Profit/Loss for continued + Discontinued Operation	(24.96)	(13.57)	0.23	(57.01)	12.11	(59.00)	7.97
3	Segment Assets :							
a	Other Educational services to Institutions	433.75	577.40	436.77	433.75	436.77	433.75	436.77
b	Income from Franchisee receipts/other operating Income	4.97	5.18	5.81	4.97	5.81	4.97	5.81
c	Training Education and PDP	2105.00	2105.00	2105.00	2105.00	2105.00	2105.00	2105.00
	Unallocated	1090.03	958.85	1143.97	1090.03	1143.97	1073.61	1129.36
	Total	3633.75	3646.43	3691.55	3633.75	3691.55	3617.33	3676.94
4	Segment Liabilities :							
a	Other Educational services to Institutions	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b	Income from Franchisee receipts/other operating Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c	Training Education and PDP	168.19	170.33	169.90	168.19	169.90	168.19	169.90
	Unallocated	97.10	94.96	95.41	97.10	94.79	97.90	95.41
	Total	265.29	265.29	265.31	265.29	264.69	266.09	265.31

Independent Auditors' Report (Standalone)

**To,
THE MEMBERS OF IEC EDUCATION LIMITED**

Report on the Financial Statements

1. We have audited the accompanying financial statements of **IEC Education limited**, ("the Company") which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters 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 the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting the 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 internal financial control, 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

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. 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 thereunder.
5. 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.

6. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Basis for Qualified Opinion

8. Attention is invited to:-

- I. **Note No: 2.8 of financial statements relating to non registration of title deeds in respect of one building premises,(Net books value as at year end Rs. 48.38 Lakhs, Previous year Rs.49.56 Lakhs).**
- II. **Note No: 2.21 at serial no.02 financial statements relating to adjustment of entries arising out of confirmation/ reconciliation of the accounts of parties;**
- III. **Note No. 2.21 at serial no.05 of financial statements relating to non provision of trade receivable and long term loans and advance considered doubtful amounting to Rs. 427.50 Lakhs and Rs. 15.57 Lakhs respectively; (Previous year Rs 427.50 Lakhs and Rs. 15.57 Lakhs respectively).**
- IV. **Note no. 2.21 at serial no. 06 of financial statement relating to not booking the income of Rs. 154.80 Lakhs (Previous year Rs. 6.14 Lakhs) as per agreement with two trusts in which a director of the company is interested. Accordingly revenue from operation would have been increased by Rs. 154.80 Lakhs (Previous year Rs. 6.14 Lakhs) and, profit for the year and shareholders' fund would have been increased accordingly. (Previous year Rs. 6.14 Lakhs.)**

Qualified Opinion

9. In our opinion and to the best of our information and according to the explanations given to us, except for possible effect of the matter described in the Basis for Qualified opinion paragraph above, 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 the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
 - b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
 - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

10. As required by 'the Companies (Auditor's Report) Order, 2017', issued by the Central Government of India in term of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in the paragraphs 3 and 4 of the Order.

11. 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 appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31 March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule II of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of information and according to the explanations given to us :
 - i. The Company has disclosed the impact, if any, of pending litigations as on 31st March, 2017 on its financial position in its financial statements – Refer Note 2.21 at serial no. 01 to the financial statements
 - ii. In our opinion and as per the information and explanation provided to us, the Company has not entered into any long term contracts including derivative contracts, requiring provision under applicable laws or accounting standards, for material foreseeable losses; and

- iii. There has been no delay in transferring amount, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. The Company has provided requisite disclosures in the financial statements as to holding as well as dealings in Specified Bank Notes during the Period from 8th November,2016 to 30th December,2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the company and as produced to us by the management –refer note no.2.21 at serial no.15.

**For NATH & HARI
Chartered Accountants
Firm Reg. No-007403N**

Date: 30th May. 2017

Place: Delhi

KAILASH HARI

Partner

M.No-082285

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT TO

THE MEMBERS OF IEC EDUCATION LIMITED

Referred to in paragraph 11(f) of the Independent Auditor's Report of even date to the members of **IEC EDUCATION LIMITED** on the financial statements for the year ended March 31, 2017

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of IEC EDUCATION LIMITED ("the Company") as of March 31, 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

2. 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 considering the essential components of the 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 Act.

Auditor's Responsibility

3. 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 deemed to be prescribed under section 143(10) of the Act 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.
4. 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.
5. 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

6. 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

7. 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 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

8. 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 March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential 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.

For NATH & HARI

Chartered Accountants

Firm Reg. No-007403N

KAILASH HARI

Partner

M.No-082285

Place: Delhi

Date: 30th May. 2017

**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT TO
THE MEMBERS OF IEC EDUCATION LIMITED**

Referred to in paragraph 10 of the Independent Auditor's Report of even date to the members of **IEC EDUCATION LIMITED** on the standalone financial statement as of and for the year ended March 31, 2017

(i) (a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets. However in some cases, item wise depreciation, location or quantity were not maintained in the fixed asset register.

(b) The management has not carried out a physical verification of all the fixed assets but there is a regular programme of verification which in our opinion is reasonable having regard to the size of the company and nature of its assets. To the best of our knowledge, no material discrepancies were noticed in respect of assets verified during the year

(C) The title deed of immovable properties as disclosed in Note 2.8 on fixed assets to the financial statements are held in the name of the company, except for

Total number of cases	whether leasehold/ freehold	Gross Block (Rs. In Lakhs.)	Net Block (Rs. In Lakhs.)	Remarks
1	Leasehold	75.50	49.56	-

(ii) Having regard to the nature of company's business, Clause 2 of CARO is not applicable.

(iii) As informed to us, 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. Accordingly, provisions of clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

(iv) The company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186 of the Act. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.

(v) The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75, and 76 of the Act and the Rules framed there under to the extent notified.

(vi) The Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Companies Act, 2013 for any of the services rendered by the Company.

(vii) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities.

According to the information and explanations given to us, no undisputed amount payable in respect of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess were in arrears as at 31st March, 2017 for a period of more than six months from the date they became payable except income tax of Rs 15.72 Lakhs (Previous year Rs 15.72 Lakhs), TDS of RS 4.31 Lakhs and Service Tax of Rs 6.53 Lakhs . (Previous year Rs. 4.31 Lakhs and Rs. 6.53 respectively) The particulars of dues of service tax as at 31st March,2017 which have not been deposited on account of a dispute are as follows :

Name of the Statute	Nature of dues	Amounts (in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Finance Act,1994	Service Tax	643.39	2009-10 2010-11 2011-12 2012-13 2013-14	Commissioner Appeals

- (viii) According to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- (ix) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of clause 3(ix) of the Order are not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, not have we been informed of any such case by the Management.
- (xi) The Company has paid/provided for managerial remuneration for which requisite approvals mandated by the provisions of Section 197 read with Schedules V to the Act.is not applicable
- (xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

- (xiii) The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- (xv) The Company has not entered into any non cash transactions with its directors or persons connected with him within the meaning of Section 192 of the Act. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For NATH & HARI

Chartered Accountants

Firm Reg. No-007403N

KAILASH HARI

Partner

M.No-082285

Place: Delhi

Date: 30th May. 2017

INDEPENDENT AUDITOR'S REPORT (Consolidated)

TO THE BOARD OF DIRECTORS OF IEC EDUCATION LIMITED

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of IEC Education Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information

Management's Responsibility for the Consolidated Financial Statements

2. 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group 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. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
4. While conducting the 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 thereunder.
5. 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 consolidated financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated financial statements that give a true and fair view in order to

design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

7. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Basis for Qualified Opinion

8. Attention is invited to.

- I. **Note No: 2.8 of Consolidated financial statements relating to non registration of title deeds in respect of one building premises,(Net books value as at year end Rs. 48.38 Lakhs, Previous year Rs. 49.56 Lakhs).**
- II. **Note No: 2.21 at serial no.02 consolidated financial statements relating to adjustment of entries arising out of confirmation/ reconciliation of the accounts of parties and banks.**
- III. **Note No. 2.21 at serial no.5 of consolidated financial statements relating to non provision of trade receivable and long term loans and advance considered doubtful amounting to Rs. 427.50 Lakhs and Rs.15.57 Lakhs respectively ; (Previous year rs.427.50 lakhs and rs. 15.57 lakhs respectively).**
- IV. **Note no 2.21 at serial no. 6 of financial statement relating to not booking the income of Rs. 154.80 Lakhs (Previous year Rs.6.14 Lakhs) as per agreement with two trust in which a director of the company is interested. Accordingly revenue from operation would have been increased by Rs 154.80 Lakhs (Previous year Rs. 6.14 Lakhs) and profit for the year and shareholders' fund would have been increased accordingly(Previous year Rs 6.14 Lakhs)**

Qualified Opinion

9. 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 in paragraph 7 above, the aforesaid consolidated 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, of the consolidated state of affairs of the Group, as at 31st March, 2017, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements.

10. As required by Section 143(3) of the Act, we report.
 - (a) We have sought and, except for the possible effect of the matter described in the Basis for Qualified Opinion above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion in paragraph 7 above, proper books of account as required by law relating to preparation of the

aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and companies (Accounting Standards) Amendment Rules, 2016.
- (e) On the basis of the relevant assertion contained in the audit report on standalone financial statement of holding company and its subsidiary none of the directors of the any such company is disqualified as on 31st March, 2017 from being appointed as a director of that company in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the Internal Financial Controls over financial Reporting of the Group and the operating effectiveness of such controls, refer to our separate Report In Annexure.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statement discloses the impact of pending litigation on the consolidated financial position of the Group.
 - ii Provision has been made in the Consolidated Financial Statements, as required under the applicable law or Accounting Standards, For material foreseeable losses, if any, on long-term contract including derivative contracts.
 - iii There has been no delay in transferring amount, required to be transferred, to the investor Education and Protection Fund by the Holding Company and Subsidiary Company incorporated in India.
 - iv. The group has provided requisite disclosures in the consolidated financial statement as to holdings as well as dealings in Specified Bank Notes during 8th November , 2016 to 30th December,2016 . Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Group and as produced to us by the Management refer Note no 2.21 at serial no. 14.

Place: Delhi
Date: 30th May, 2017

For NATH & HARI
Chartered Accountants
F.R.NO. 007403N

KAILASH HARI
PARTNER
M. No. 082285

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF IEC EDUCATION LIMITED

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

1. In Conjunction with our audit of the consolidated Financial Statement of the Company as of and for the year ended 31st March, 2017, we have audited the Internal Financial Controls over Financial Reporting Of IEC EDUCATION LIMITED ("The Holding Company") and its subsidiary Companies which are incorporated in India as of that date.

Management's Responsibility for Internal Financial Controls

2. The Respective Board of Directors of the Holding Company and its Subsidiary Companies, which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of the 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.

Auditor's Responsibility

3. 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 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.
4. 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.
5. 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

6. 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

7. 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 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

8. In our opinion the Holding Company and its Subsidiary Companies, which are the Companies incorporated in India, have, 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 March 31, 2017, based on the Internal Control over Financial Reporting criteria established by the Company considering the essential 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.

For NATH & HARI
Chartered Accountants
Firm Reg. No-007403N

Place: Delhi
Date: 30th May. 2017

KAILASH HARI
Partner
M.No-082285