

CORPORATE INFORMATION

Chairman

Shri Prashant Jhawar

Vice-Chairman

Shri Rajeev Jhawar

Directors

Shri Subrata Kumar Mitra

Shri Rameshwar Pal Agrawal

Shri Trivikram Khaitan

Shri Rahul Choudhary

Shri Debjit Bhattacharya - Whole-time Director

Smt Gangotri Guha

Company Secretary

Dr. R. N. Chakraborty

Chief Financial Officer

Shri Vinay Kumar Gupta

Bankers

IDBI Bank Ltd.

IndusInd Bank Ltd

Axis Bank Ltd.

Auditors

M/s. S. Swarup & Co.

21, Hemanta Basu Sarani, 3rd Floor,

Room No. 303, Kolkata - 700 001

Registered Office

CIN : L31300WB1997PLC085210

PS Srijan Techpark, 4th Floor, DN - 52,

Sector-V, Salt Lake City, Kolkata - 700 091

Tel.: +91 33 4013 4700, Fax: +91 33 4013 4800

Website : www.umesl.co.in

E-mail : ranendranath.chakraborty@umesl.co.in

Registrar and Transfer Agent

MCS Limited

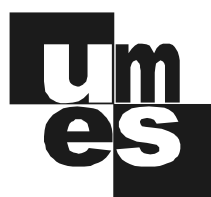
77/2A, Hazra Road, Kolkata – 700 029

Ph. : 033 2454 1892/93, 033 4072 4052/53

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E-mail : mcskol@rediffmail.com

Website : www.mcsdel.com



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DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting the 18th Annual Report, together with the Audited Statement of Accounts of the Company for the financial year ended 31st March, 2015.

Financial Results

(₹ in Lakh)

| Particulars | Standalone | | Consolidated | |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
| | Year ended 31.3.2015 | Year ended 31.3.2014 | Year ended 31.3.2015 | Year ended 31.3.2014 |
| Gross Income | 350.16 | 564.24 | 367.36 | 662.48 |
| Gross Profit/(loss) before Finance Cost and Depreciation | (96.80) | (14.43) | (95.43) | 24.26 |
| Less: Finance Cost | 21.25 | 13.42 | 21.25 | 13.42 |
| Less: Depreciation | 29.29 | 27.71 | 29.29 | 29.36 |
| Profit/(loss) for the year | (147.34) | (55.56) | (145.97) | (18.52) |
| Less Provision for Tax (Net) | – | – | 0.44 | 5.03 |
| Profit/(loss) After Tax | (147.34) | (55.56) | (146.41) | (23.55) |
| Transfer to Reserves and Surplus | (147.34) | (55.56) | (146.41) | (23.55) |

Financial Review

During the Financial Year ended 31st March 2015, your company recorded standalone revenue of ₹ 350.16 Lakhs, considerably lower as compared to the previous financial year. Consolidated revenue for the current financial year is ₹ 367.36 Lakhs, which also follows the same trend.

Dividend

Your Directors do not recommend any dividend for the current financial year.

Reserve and Surplus

The balance of Reserves and Surplus, as at 31st March, 2015 stands at ₹1,678.24 Lakhs after making the appropriations indicated above.

Subsidiary

The wholly owned subsidiary of your Company, Usha Martin Education Pvt. Ltd. (UMEPL) is continuing to own its' Usha Martin School Brands, and earning license fees by licensing the said brands to various Usha Martin Schools.

The Company has obtained exemption from annexing accounts and other documents pertaining to subsidiary, under Section 212(8), through the general approval from Ministry of Corporate Affairs, Government of India, vide their letter no. 47/07/2011-CL-III dated 20th January 2011. However, the financial statements of the subsidiary company UMEPL and other detailed information will be made available to the members seeking such information at any point of time. The annual accounts of the subsidiary company will also be available for inspection at the Registered Office of the Company as well as at the Registered Office of the subsidiary.

Consolidated Financial Statements

The Audited Consolidated Financial Statements based on the Financial Statements received from subsidiary company, as approved by its Board of Directors, have been prepared in accordance with the Accounting Standard 21 (AS-21) – Consolidated Financial Statements as notified under the Companies Act, read with Companies (Accounting Standards) Rules, 2006 as applicable. Further, the Consolidated Financial Statements are also presented in accordance with Clause 41 of the Listing Agreement entered into with the stock exchanges, where the shares of the company are listed.

Public Deposit

The Company has not accepted any deposit within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

Particulars of Loans, Guarantees or Investments

The company has not given any loans or guarantees covered under the provisions of Section 186 of the Companies Act, 2013. The details of the investments made by company is given in the notes to the financial statements.

Internal Control Systems and their adequacy

Company is equipped with a proper and adequate system of internal controls for maintaining proper accounting cost control and efficiency in operation. Company has developed documented procedures and various methods as follows :-

- Proper delegation of power to de-centralise the whole operation for making it more dynamic.
- Preparation of annual budget for targets for business growth which is continuously monitored throughout the year.
- Financial control & approval based on budget allocation.

The Company also has adequate system to ensure that all of its assets are safeguarded and protected against loss from unauthorized use or disposition and transactions are authorized, recorded, and reported correctly. The internal control system is supplemented by internal audits, review by management, documented policies and procedures.

Corporate Social Responsibility initiatives

The Companies (Corporate Social Responsibility Policy) Rule, 2014 is not applicable to the Company. However, your Company respects society value and make endeavour to contribute for the societal cause as far as possible.

Directors

Shri Subrata Kumar Mitra, Shri Rahul Choudhary and Shri Trivikram Khaitan, being Independent Directors, are retiring by rotation at the ensuing Annual General Meeting. The Board proposed to appoint them for a fixed term of 3 years, subject to approval by the shareholders at the ensuing Annual General Meeting, in compliance with Section 149 of the Companies Act, 2013 and clause 49 of the listing agreement.

The terms of appointment of Shri Debjit Bhattacharya, Whole-time Director, who was re-appointed for a period of 2 years with effect from 1st March, 2013, came to an end on 28th February, 2015. The Board, considering the expertise and experience of Shri Bhattacharya and his contribution towards the overall growth of the Company, observe that it would be best in the interest of the Company to re-appoint Shri Bhattacharya for a further period of 2 years with effect from 1st March 2015. Hence a resolution is placed at the Notice of the Annual General Meeting for the re-appointment of Shri Bhattacharya, as a whole-time director of the Company for a further period of 2 years, subject to compliance with all regulatory requirements, for the kind consideration of the Shareholders.

Smt Gangotri Guha, was appointed as an Additional Director of the Company by the Board at its meeting held on 29th January, 2015 upto the date of the ensuing Annual General Meeting. She is proposed to be appointed as a Director at the ensuing Annual General Meeting and accordingly a resolution has been put in the Notice of the Annual General Meeting for her appointment for the approval of the same by the members of the Company. A brief resume and background of Smt. Guha has been put in the Annexure of the Notice calling the Annual General Meeting.

During the year, Shri Shiva Kumar Barasia, expressed his desire to step down from the Directorship, due to his other pressing commitments. Your Board of Directors' with great reluctance accepted his offer of resignation. However, the Board placed their great appreciation on record for the immensely valuable contribution made by Shri Barasia during his tenure as a Director.

None of the Directors are disqualified under Section 149 of Companies Act, 2013. As required by law, this position is also reflected in the Auditors' Report.

During the year, Shri Vinay Kumar Gupta has been appointed as the Chief Financial Officer of the Company by the Board at its meeting held on 29th January 2015.

- **Declaration of Independence**

The Independent Directors have submitted their declaration of Independence, as per the Compines Act, 2013 and Clause 49 of the Listing Agreement, to the Board at the first Board Meeting of this current Financial Year.

- **Board Evaluation**

As directed by the Companies Act, 2013, the Board on its Meeting held on 29th January, 2015, adopted a Policy for evaluation of itself alongwith all its committees and all the Directors individually.

Based on such policy, the Board in its first Board Meeting held after the end of Financial Year 2014-15, performed an Evaluation, on a comprehensive basis, of its own working, as well as working of all its committees. The evaluation also included personal evaluation of individual Directors. A comprehensive questionnaire has been set to assess the overall working of the Board as well as all the Directors individually. The Directors provided their opinion and feedback on the questionnaire on secret ballot. As a result of such evaluation some advises generated, which the entire Board noted and adopted to follow in its future performance.

- **Remuneration Policy**

The earlier Remuneration Committee of the Company was renamed as The Nomination and Remuneration Committee. The Committee has been re-constituted in line with the provisions of Clause 49(IV) of the Equity Listing Agreement and also meets the requirement of Section 178 of the Companies Act, 2013

The Board has, on recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Key managerial personnel and their remuneration.

- **Meetings**

Details of the various meetings held during the financial year 2014-15 has been given in the Corporate Governance Report.

Corporate Governance

Your Company recognizes the importance of good Corporate Governance in building stakeholders' confidence, improving investor protection and enhancing long-term enterprise value. A report on Corporate Governance is annexed.

CEO / CFO Certification

The Whole-time Director and CFO of the Company have submitted a certificate to the Board as required under Clause 49 of the Listing Agreement for the year ended 31st March 2015.

Directors' Responsibility Statement

Pursuant to the requirement under Section 134 (5) of the Companies Act, 2013, the Directors confirm:

- (i) That in preparation of the accounts for the financial year ended 31st March 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- (iii) That 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;
- (iv) That the Directors have prepared the accounts for the financial year ended 31st March 2015 on a 'going concern' basis.
- (v) The Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (vi) The Directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

Auditors

M/s S. Swarup & Co., Chartered Accountants, have communicated their willingness to act as the auditors of the Company subject to necessary approval at the forthcoming Annual General Meeting under Section 139 and 140 of the Companies Act, 2013 and the Board recommended their appointment for a further period of 2 years i.e. upto the conclusion of the 20th Annual General Meeting of the Company.

Human Resources

At your Company, the management believes and affirms the importance of development of human resources, which is most valuable and key element in bringing all round improvement and achieving growth of the business. We are proud to have a successful relationship philosophy at all level, which focuses on finding solutions through dialogue in a spirit of open work culture and constructive team work. This has enabled us to maintain a cordial and peaceful work environment throughout.

In addition to a core group of experienced professionals who have remained with the organization for years, fresh professionals in various disciplines were also inducted. For enhancement of professional capabilities, employees were exposed to various training program both in-house as well as by reputed training institutions.

The ratio of remuneration of Median Employee to that of the Whole time Director is 1:5. No other Directors get any remuneration from the Company except the board sitting fees, which is ₹ 2,000 per meeting.

The average increase in salary of the employees was 8%, whereas there was no increase in the salary of the Whole time Director.

Related Party Transactions

The Board has adopted a Related Party Transaction Policy for the Company at its meeting held on 29th January 2015.

However, during the financial year 2014-15, there is no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large.

Energy, Technology and Foreign Exchange Earning and Outgo

The nature of the Company's business does not require involving any type of energy consumption or adaptation of any technology.

The particulars required to be furnished under Rule 8 of the Companies (Accounts) Rules, 2014:

- (i) Part A and B pertaining to conservation of energy and technology absorption are not applicable to the Company.
- (ii) Foreign Exchange earnings and outgo are as under:
- Earnings : ₹ 94.80 Lakhs
- Outgo : ₹ 1.75 Lakhs

Vigil Mechanism / Whistle Blower Policy

The Board has adopted a Whistle Blower Policy for the Company at its meeting held on 29th January, 2015.

This policy is formulated to provide opportunity to all the employees to access in good faith, to the Audit Committee of the Company in case they observe any unethical and improper practice or behavior or wrongful conduct in the Company and to prohibit managerial personnel from taking adverse personnel action against such employee.

Environment

Though the Company's operations are not inherently polluting in nature, the Company continues to take adequate precautions to comply with all regulatory measures in this regard at all the educational premises and sites, so that no harm would cause to the society and the nature at a large.

Declaration on compliance with code of conducts

The Board has formulated a Code of Conducts for the Board Members and Senior Management of the Company, which has been posted on the website of the Company.

It is hereby affirmed that all the Directors and Senior Management Personnel have complied with the Code and a confirmation to that effect has been obtained from the Directors and the Senior Management.

Prevention of Insider Trading

The Company already had a structured Code of Conduct for Prevention of Insider Trading Policy since long back, with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code has been further streamlined to keep a parity with the new Companies Act, 2013.

The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company's shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

All Directors and the designated employees, who hold any shares in the Company have confirmed compliance with the Code.

Secretarial Audit

Pursuant to provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has appointed Shri Arani Guha, Partner of K. Arun & Co, Practicing Company Secretaries to undertake the Secretarial Audit of the Company. The Secretarial Audit report is annexed herewith as "Annexure B"

Extract of Annual Return

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

Business Risk Management

Pursuant to section 134 (3) (n) of the Companies Act, 2013, the company has adopted a Risk Management Policy. The Board identified some risks that may affect the business of your Company and segregated them in various categories. Based upon such categorization Board has directed the Management to adopt and follow certain preventive steps.

Board reviews the risks periodically.

Compliance Certificate

A Certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this Report.

Acknowledgements

Your Directors would like to express their sincere appreciation of the co-operation and assistance received from shareholders, customers, vendors, bankers, and other business constituents for their support during the year under review. Your Directors also wish to place on records their deep sense of appreciation for the commitment displayed by all employees during the year.

Place: Kolkata

Date: 11th May , 2015

On behalf of the Board of Directors

Prashant Jhawar
Chairman

Debjit Bhattacharya
Whole-time Director



ANNEXURE - A

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31/03/2015
 [Pursuant to Section 92(1) of the Companies Act, 2013 And
 Rule 11(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

| | | |
|------|---|--|
| i) | CIN: | L31300WB1997PLC085210 |
| ii) | Registration Date | 18/08/1997 |
| iii) | Name of the Company | Usha Martin Education & Solutions Limited |
| iv) | Category/Sub Category of the Company | Company Limited by shares/ Indian Non-Government Company |
| v) | Address of the Registered Office and Contact Details | P.S. Srijan Tech Park, 4 th Floor, DN-52, Sector V, Salt Lake, Kolkata-700091 Telephone:033 40134700 FAX: 033 40134800 E-mail: ranendranath.chakraborty@umesl.co.in |
| vi) | Whether listed Company | Yes |
| vii) | Name, Address and Contact details of Registrar and Transfer Agent, if any | MCS Limited 77/2A,Hazra Road, Kolkata - 700029 Telephone:033 2454 1892-93 FAX: 033 2454 1961 E-mail: mcskol@rediffmail.com |

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)

| Sl. No | Name and Description of main products / services | NIC Code of the Product /service | % to total turnover of the company |
|--------|--|----------------------------------|------------------------------------|
| 1 | Educational Support Services | 855 | 100% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sl. No | NAME AND ADDRESS OF THE COMPANY | CIN/GLN | HOLDING/ SUBSIDIARY / ASSOCIATE | %OF SHARES HELD | APPLICATION SECTION |
|--------|---|-----------------------|---------------------------------|-----------------|---------------------|
| 1 | Usha Martin Education Private Limited PS Srijan Techpark, 4th Floor DN-52, Sector-V, Salt Lake City, Kolkata - 700 091 | U80221WB2009PTC140112 | Subsidiary | 100% | 2 (87) |

IV. SHAREHOLDING 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 | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/ HUF | 489741 | 0 | 489741 | 1.854 | 489741 | 0 | 489741 | 1.854 | 0 |
| b) Central Govt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) State Govt(s) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) Bodies Corp. | 8510364 | 0 | 8510364 | 32.216 | 8510364 | 0 | 8510364 | 32.216 | 0 |
| e) Banks / FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| f) Any other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total (A){1):- | 9000105 | 0 | 9000105 | 34.070 | 9000105 | 0 | 9000105 | 34.070 | 0 |
| (2) Foreign | | | | | | | | | |
| a) NRIs-Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Other-Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) Bodies Corp | 2388291 | 0 | 2388291 | 9.041 | 2388291 | 0 | 2388291 | 9.041 | 0 |

| 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 | |
| d) Banks/FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e) Any other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total (A)(2):- | 2388291 | 0 | 0 | 9.041 | 2388291 | 0 | 2388291 | 9.041 | 0 |
| Total Shareholding of Promoter(A)=A(1) + A(2) | 11388396 | 0 | 11388396 | 43.111 | 11388396 | 0 | 11388396 | 43.111 | 0 |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | 1101 | 533 | 1634 | 0.006 | 1101 | 533 | 1634 | 0.006 | 0 |
| b) Banks / FI | 2921 | 3052 | 5973 | 0.024 | 2921 | 3052 | 5973 | 0.024 | 0 |
| c) Central Govt | 0 | 727 | 727 | 0.003 | 0 | 727 | 727 | 0.003 | 0 |
| d) State Govt(s) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e) Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| f) Insurance Companies | 929862 | 0 | 929862 | 3.520 | 929862 | 0 | 929862 | 3.520 | 0 |
| g) FIs | 1562190 | 699 | 1562889 | 5.916 | 1562190 | 699 | 1562889 | 5.916 | 0 |
| h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| i) Others (specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total (B)(1):- | 2496074 | 5011 | 2501058 | 9.469 | 2496074 | 5011 | 2501058 | 9.469 | 0 |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 1821739 | 15099 | 1836838 | 6.953 | 1684613 | 15081 | 1699694 | 6.434 | 0 |
| ii) Overseas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs.1 Lakh | 6420448 | 588861 | 7009309 | 26.535 | 6587064 | 583124 | 7170188 | 27.144 | 0 |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 1560582 | 0 | 1560582 | 5.907 | 1508157 | 0 | 1508157 | 5.709 | 0 |
| c) Others (specify) | | | | | | | | | |
| i. Trust & Foundation | 98 | 0 | 98 | 0.000 | 98 | 0 | 98 | 0.000 | 0 |
| ii. NRI | 310469 | 9479 | 319948 | 1.211 | 339259 | 9479 | 348738 | 1.320 | |
| iii. OCB | 100 | 0 | 100 | 0.000 | 0 | 0 | 0 | 0 | 0 |
| Sub-total (B)(2):- | 10113436 | 613439 | 10726875 | 40.607 | 10119191 | 607684 | 10726875 | 40.607 | 0 |
| Total Shareholding of Public (B)=B(1) + B(2) | 12609510 | 618450 | 13227960 | 50.076 | 12615265 | 612695 | 13227960 | 50.076 | 0 |
| C. Shares held by Custodian for GDRs & ADRs | 1799455 | 0 | 1799455 | 6.812 | 1799455 | 0 | 1799455 | 6.812 | 0 |
| Grand Total (A+B+C) | 25797361 | 618450 | 26415811 | 100 | 25803116 | 612695 | 26415811 | 100 | 0 |

ii) Shareholding of Promoter-

| SN | Shareholder's Name | Shareholding at the beginning of the year | | | Share holding at the end of the year | | | % change in share holding during the year |
|----|---|---|----------------------------------|--|--------------------------------------|----------------------------------|--|---|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total Shares | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total Shares | |
| 1 | UMIL Share & Stock Broking Services Ltd | 3075127 | 11.64 | 0 | 3075127 | 11.64 | 0 | 0 |
| 2 | Peterhouse Investments India Limited | 2968718 | 11.24 | 0 | 2968718 | 11.24 | 0 | 0 |
| 3 | Peterhouse Investments Ltd | 2388291 | 9.04 | 0 | 2388291 | 9.04 | 0 | 0 |
| 4 | Prajeev Investments Limited | 2057610 | 7.79 | 0 | 2057610 | 7.79 | 0 | 0 |
| 5 | Usha Martin Ventures Ltd | 408909 | 1.55 | 0 | 408909 | 1.55 | 0 | 0 |
| 6 | Basant Kumar Jhawar | 158462 | 0.60 | 0 | 158462 | 0.60 | 0 | 0 |
| 7 | Prashant Jhawar | 134220 | 0.51 | 0 | 134220 | 0.51 | 0 | 0 |
| 8 | Uma Devi Jhawar | 52183 | 0.20 | 0 | 52183 | 0.20 | 0 | 0 |
| 9 | Rajeev Jhawar | 36957 | 0.14 | 0 | 36957 | 0.14 | 0 | 0 |
| 10 | Anupama Jhawar | 36466 | 0.14 | 0 | 36466 | 0.14 | 0 | 0 |
| 11 | Shanti Devi Jhawar | 35065 | 0.13 | 0 | 35065 | 0.13 | 0 | 0 |
| 12 | Nidhi Rajgarhia | 14219 | 0.05 | 0 | 14219 | 0.05 | 0 | 0 |
| 13 | Madhushree Goenka | 7656 | 0.03 | 0 | 7656 | 0.03 | 0 | 0 |
| 14 | Akshay Goenka | 4878 | 0.02 | 0 | 4878 | 0.02 | 0 | 0 |
| 15 | Susmita Jhawar | 4736 | 0.02 | 0 | 4736 | 0.02 | 0 | 0 |
| 16 | Brij Kishore Jhawar | 2973 | 0.11 | 0 | 2973 | 0.11 | 0 | 0 |
| 17 | Stuti Jhawar | 666 | 0.00 | 0 | 666 | 0.00 | 0 | 0 |
| 18 | Anupriya Jhawar | 661 | 0.00 | 0 | 661 | 0.00 | 0 | 0 |
| 19 | Apurv Jhawar | 399 | 0.00 | 0 | 399 | 0.00 | 0 | 0 |
| 20 | Biharilal Santhalia | 200 | 0.00 | 0 | 200 | 0.00 | 0 | 0 |

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

| SN | | Shareholding at the beginning of the year | | Cumulative Shareholding during theyear | |
|----|---|---|----------------------------------|--|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | NO CHANGE | | | |
| | 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 | | | | |

iv) Shareholding Pattern of top ten Shareholders: (other than Directors, Promoters and Holders of GDRs and ADRs)

| SN | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year | | Cumulative Shareholding during theyear | |
|----|--|---|----------------------------------|--|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | ELARA INDIA OPPORTUNITIES FUND LIMITED | 1277291 | 4.8353 | 1277291 | 4.8353 |
| 2 | FOLLOWEL ENGINEERING LIMITED | 468000 | 1.7717 | 468000 | 1.7717 |
| 3 | GENERAL INSURANCE CORPORATION OF INDIA | 369295 | 1.398 | 369295 | 1.398 |

| SN | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year | | Cumulative Shareholding during theyear | |
|----|-------------------------------------|---|----------------------------------|--|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 4 | ELM PARK FUND LIMITED | 284899 | 1.0785 | 284899 | 1.0785 |
| 5 | FALGUNI NILESH DEDHIA | 230000 | 0.9085 | 247500 | 0.9369 |
| 6 | SHYAM SUNDAR KANORIA | 240000 | 0.8707 | 240000 | 0.9085 |
| 7 | NATIONAL INSURANCE COMPANY LTD | 227035 | 0.8595 | 227035 | 0.8595 |
| 8 | SHEELA DEVI KANORIA | 217866 | 0.8248 | 217866 | 0.8248 |
| 9 | SHYAM SUNDAR KANORIA | 210055 | 0.7952 | 210055 | 0.7952 |
| 10 | GOLDVIEW FINANCIAL SERVICES LTD | 198974 | 0.7532 | 198974 | 0.7532 |

v) Shareholding of Directors and Key Managerial Personnel

| SN | Shareholding of each Directors and each Key Managerial Personnel | Shareholding at the beginning of the year | | Cumulative Shareholding during theyear | |
|----|---|---|----------------------------------|--|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1. | Prashant Jhawar | | | | |
| | At the beginning of the year | 134220 | 0.51 | 134220 | 0.51 |
| | 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): | 0 | 0 | 0 | 0 |
| | At the end of the year | 134220 | 0.51 | 134220 | 0.51 |
| 2. | Rajeev Jhawar | 36957 | 0.14 | 36957 | 0.14 |
| | At the beginning of the year | | | | |
| | 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): | 0 | 0 | 0 | 0 |
| | At the end of the year | 36957 | 0.14 | 36957 | 0.14 |
| 3. | Debjit Bhattacharya | 16000 | 0.06 | 16000 | 0.06 |
| | At the beginning of the year | | | | |
| | 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): | 0 | 0 | 0 | 0 |
| | At the end of the year | 16000 | 0.06 | 16000 | 0.06 |

V) INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in ₹.)

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 3750122.00 | 6500000.00 | - | 10250122.00 |
| ii) Interest due but not paid | 17489.00 | 204854.00 | - | 222343.00 |

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|----------------------------------|--------------------|----------|--------------------|
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 3767611.00 | 6704854.00 | - | 10472465.00 |
| Change in Indebtedness during the financial year | | | | |
| * Addition | 28159842.90 | 3500000.00 | - | 31659842.90 |
| * Reduction | 27620711.05 | - | - | 27620711.05 |
| Net Change | 539131.85 | 3500000.00 | - | 4039131.85 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 4289253.85 | 10000000.00 | - | 14289253.85 |
| ii) Interest due but not paid | 54095.00 | - | - | 54095.00 |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 4343348.85 | 10000000.00 | - | 14343348.85 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-
A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(Amount in ₹.)

| SN. | Particulars of Remuneration | Name of Whole-time Director | Total Amount |
|-----|---|-----------------------------|----------------|
| | | Debjit Bhattacharya | |
| 1 | Gross salary | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 546756 | 546756 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | NIL | NIL |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | NIL | NIL |
| 2 | Stock Option | NIL | NIL |
| 3 | Sweat Equity | NIL | NIL |
| 4 | Commission- as % of profit- others, specify... | NIL | NIL |
| 5 | Others, (Allowances, Reimbursements & Retrials) | 1100400 | 1100400 |
| | Total (A) | 1647156 | 1647156 |
| | Ceiling as per the Act | NA | NA |

B. Remuneration to other Directors

(Amount in ₹.)

| SN. | Particulars of Remuneration | Name of Directors | | | | Total Amount |
|-----|--|-------------------|------------|-----------------|-------------------|--------------|
| 1 | Independent Directors | SK Mitra | RP Agrawal | Rahul Choudhary | Trivikram Khaitan | - |
| | Fee for attending board committee meetings | 0 | 0 | 8000 | 10000 | 18000 |
| | Commission | 0 | 0 | 0 | 0 | 0 |
| | Others, please specify | 0 | 0 | 0 | 0 | 0 |
| | Total (1) | 0 | 0 | 8000 | 10000 | 18000 |
| 2 | Other Non-Executive Directors | P.Jhawar | R.Jhawar | SK Barasia | - | - |
| | Fee for attending board committee meetings | 0 | 0 | 10000 | - | 10000 |
| | Commission | 0 | 0 | 0 | 0 | 0 |
| | Others, please specify | 0 | 0 | 0 | 0 | 0 |
| | Total (2) | 0 | 0 | 0 | 0 | 10000 |
| | Total (B)=(1+2) | 0 | 0 | 18000 | 10000 | 28000 |
| | Total Managerial Remuneration | NA | NA | NA | NA | NA |
| | Overall Ceiling as per the Act | NA | NA | NA | NA | NA |

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Amount in ₹.)

| SN | Particulars of Remuneration | Key Managerial Personnel | | |
|----|---|--------------------------|--------|--------|
| | | CS | CFO | Total |
| 1 | Gross salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 94080 | 59608 | 153688 |
| | (b) Value of perquisites u/s 17(2) income-tax Act, 1961 | NIL | NIL | NIL |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | NIL | NIL | NIL |
| 2 | Stock Option | NIL | NIL | NIL |
| 3 | Sweat Equity | NIL | NIL | NIL |
| 4 | Commission | NIL | NIL | NIL |
| | - as % of profit | NIL | NIL | NIL |
| | others, specify... | NIL | NIL | NIL |
| 5 | Others, (Allowances, Reimbursements & Retrials) | 137688 | 121023 | 258711 |
| | Total | 231768 | 180631 | 412399 |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

| Type | Section of the Companies Act | Brief Description | Details Penalty of / Punishment / Compounding fees imposed | Authority [RD / NCLT / COURT] | Appeal made, if any (give Details) |
|------|------------------------------|-------------------|--|-------------------------------|------------------------------------|
|------|------------------------------|-------------------|--|-------------------------------|------------------------------------|

A. COMPANY

| | | | | | |
|-------------|--|--|--|--|--|
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |

B. DIRECTORS

| | | | | | |
|-------------|--|--|------------|--|--|
| Penalty | | | | | |
| Punishment | | | NIL | | |
| Compounding | | | | | |

C. OTHER OFFICERS IN DEFAULT

| | | | | | |
|-------------|--|--|--|--|--|
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |



ANNEXURE - B

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st Day of March, 2015
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,

Usha Martin Education & Solutions Limited

We have conducted the **Secretarial Audit** of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Usha Martin Education & Solutions Limited (hereinafter called "the Company")**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, and authorized representatives during the conduct of **Secretarial Audit**, we hereby report that in our opinion the Company has, during the audit period covering the financial year ended **31st March, 2015** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended **31st March, 2015** according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. The following Regulations (as amended from time to time) and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 :-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
- V. We in consultation with the Company came to a conclusion that **no specific laws** were directly applicable with regard to business activities of the Company during the period under review.

We have also examined compliance with the applicable clauses of the following:

The Listing Agreements entered into by the Company with **Bombay Stock Exchange Limited & National Stock Exchange of India Limited**.

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is **duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Woman Director**. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and Listing Agreement.

Adequate Notice is given to all Directors to schedule the Board Meetings. Agenda and detailed Notes on Agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through, while the dissenting members' views are captured, as and when required and are recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines as also represented by the management.

We further report that during the audit period the Company has not undertaken any such transactions which have a major effect on the affairs of the company.

Place : Kolkata
Date: 11th May, 2015

For K. Arun & Co
Company Secretaries

Arani Guha
Partner
C.P. No.: 9573

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The economic scenario went through many changes in the year gone by. The Indian economy is expected to grow at a rate higher than the previous years and some experts are also projecting a double digit growth in the coming years. Though the shoots of recovery are visible, the growth has been sketchy.

In spite of the above, the Education Sector in India continued its challenging ride. The Higher Education Sector suffered the most in the absence of any clear direction. With the new Government slowly building the momentum, things should improve in the near future. This will provide the much needed impetus to the Education Sector, especially Higher Education and at the same time create new opportunities.

The key ratios* for the financial year are as follows:

| Particulars | Year ended 31.3.2015 | Year ended 31.3.2014 |
|----------------------|-------------------------|-------------------------|
| Profitability Ratio: | % | % |
| EBITDA/ Net Sales | -28 | -3 |
| PBT/ Sales | -42 | -10 |
| PAT/ Sales | -42 | -10 |

*Based on Standalone figures.

Industry Overview :

[Sources: www.ibef.org, www2.deloitte.com, Company's internal research data etc.]

India is an important educational center in the global education industry. India has more than 1.4 million schools and more than 35,000 higher education institutes. India has one of the largest higher education systems in the world and there is still a lot of potential for further development in the education system.

India's online education market size is expected to touch US\$ 40 billion by 2017. Moreover, the aim of the government is to raise its current gross enrollment ratio to 30 per cent by 2020. Out of the total students of the country 8% are studying in the Central University, 50% in the State University, 19% in the Private Universities and 23% in the deemed Universities. A transition has been started from the State Universities to the Private Universities with the expectation of getting qualitatively high level of service.

The Government of India is all set to roll out a new educational policy by 2015, according to Union Minister of Human resource Development (HRD), Government of India. The education and training sector in India has witnessed some major investments and developments in the recent past. Some of them are:

- The Times of India Group-promoted Bennett University has tied up with Babson Global, a wholly owned subsidiary of Babson College, Massachusetts, US, to offer programs for Indian students and entrepreneurs.
- Ford India inaugurated its fourth Automotive Student Service Educational Training (ASSET) Centre at St Joseph's Industrial Training Institute in collaboration with Don Bosco Centre for Learning in Kurla, Mumbai, with an aim to create a pool of talented and skilled professionals for the automobile industry.
- Pearson Education is on a global transformation journey graduating from its largely publishing business to expanding into school, higher education and vocational training.
- EMC Corporation plans to establish 100 centres of academic excellence in India in 2015. These centres will be set up in leading IT institutes across the country to give students an opportunity to learn key skills in the areas of cloud, data science, analytics, IT infrastructure and other leading technologies, as per a company statement.

The population of India has begun to appreciate the value of education in a global economy and has demonstrated an increased willingness to pay for quality education and more students are now opting for higher education after school.

Company Outlook & Strategy

The uncertainty in the Education sector and other Regulatory issues plaguing the Higher Education segment are affecting our business.

Given the current scenario and the transitional phase of the Education Sector in India, your company is in the process of evaluating its long term business strategy.



Your company is looking at other avenues given the recent stress on Vocational training and Employability, by the Government. At the same time your company also plans to increasingly support the start-up and operations of the Usha Martin University, Jharkhand.

Our shareholders will be pleased to note that the Usha Martin University is in the process of finalising its Statutes and the plan is to start operations in 2016-17.

Business Review

Learning Business Segment

The Company is continuing its major focus in the undergraduate segment. During the current year under review, your company has successfully trained and provided placement assistance to over 50% of the students enrolled in its various study centres.

The wholly owned subsidiary of the Company, namely Usha Martin Education Private Limited ("UMEPL") is continuing to own its' Usha Martin School Brands, and earning license fees by licensing the said brands to various Usha Martin Schools

Opportunities and threats

The vocational education and training is fast emerging as an important area of focus. This is further corroborated by the recent initiatives taken by the Government, both with in India and abroad. One of India's biggest challenges as well as advantages is its growing young population. India targets creation of 500 million skilled workers in 2022. Failure to generate employment has its consequences.

India's IT firms are working with academic institutions and setting up in-house institutes to groom the right talent as these companies move to social media, mobility, analytics and cloud (SMAC) technologies.

Further, the need to train fresh graduates in new skills (Vocational) and ensure that they remain employable is important and will propel the country towards a leadership position in the years to come. This will also ensure sustained growth of the economy.

Adequacy of Internal Controls

As a trend, the Company continues having an internal control system that is proper and adequate for the size and nature of business of the Company for maintaining accounting cost control and efficiency in operation. The Company ensures that the documented procedures and various methods, developed internally from time to time, are being followed meticulously and are very much effective. The gist of the procedures is as follows:-

- Proper Delegation of power to de-centralise the whole operation for making it more dynamic.
- Preparation of annual budget for targets for business growth which is continuously monitored throughout the year.
- Financial control & approval based on budget allocation.

The Company also has adequate system to ensure that all of its assets are safeguarded and protected against loss from unauthorized use or disposition, and transactions are authorized, recorded, and reported correctly. The internal control system is supplemented by internal audits, review by management, documented policies and procedures.

Human Resources

Human Resource continues to play the key role in the growth and development of your Organization. Given the current outlook and future business strategy, it has inducted experienced senior level as well as middle level management professionals, useful for this sector. The Company, as usual, has maintained cordial relation amongst the employees.

The Board of Directors expresses its deep appreciation for sincere efforts made by the employees of your Company at all levels for the development of its business during the year and their co-operation in maintaining cordial relations.

Cautionary Statements

This document includes certain forward-looking statements. These statements are based on management's current expectations or beliefs, and are subject to uncertainty and changes in circumstances. Actual results may vary materially from those expressed or implied by the statements herein due to changes in economic, business, competitive, technological and/or regulatory factors. The Company is under no obligation to, and expressly disclaims any such obligation to, update or alter its forward-looking statements, whether as a result of new information, future events or otherwise. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of their dates. This Report should be read in conjunction with the financial statements included herein and the notes thereto.

Place: Kolkata
Date: 11th May, 2015

On behalf of the Board of Directors

Prashant Jhavar
Chairman

Debjit Bhattacharya
Whole-time Director

REPORT ON CORPORATE GOVERNANCE

I. A BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance ensures a mechanism of observance which in turn ensures that the Management empowered with the ultimate decision making abilities, is using utmost care and is responsible enough to safeguard the stakeholders' aspirations and expectations. Good governance can be achieved only if it is embedded as part of the corporate culture in the Organisation. Good corporate governance is a continuing exercise and it or the lack of it can have an impact on the entire organization and its business activities as a whole. Hence the Company's activities are carried out in accordance with good corporate practices and are constantly striving to improve upon the same. The Company is always in compliance with all the procedures and stipulations as directed by Companies Act and other statutory legislations and the Listing Agreements.

II. BOARD OF DIRECTORS

➤ Composition

The total strength of your Board of Directors as on 31st March, 2015 is eight members consisting of one Non-Executive Chairman, five Non-Executive Directors, one Non-Executive Woman Director and one Executive Director. As on 31st March, 2015, the Board comprised of four independent directors out of total eight members.

None of the Directors on the Board is a Member of more than ten Committees or a Chairman of more than five Committees (as specified under Clause 49(II) (D) (II) of the Equity Listing Agreement), across all the companies in which he is a Director. All the Directors have furnished a notice of disclosure of interest as specified under Section 184(1) of the Companies Act, 2013. The Company maintains Register of Contracts and details of companies and firms in which Directors are interested as provided under Section 189 of the said Act.

Composition of the Board of Directors and their shareholding as on 31st March, 2015

| Name | Designation | No. of Outside Directorship held ** | No. of outside Committee position held # | | No. of Equity Shares held |
|-----------------------------|--|-------------------------------------|--|----------|---------------------------|
| | | | Member | Chairman | |
| Shri. Prashant Jhawar | Chairman/Non-Executive/ Dependent | 6 | – | – | 134,220 |
| Shri. Rajeev Jhawar | Vice-Chairman /Non-Executive/Dependent | 6 | 1 | – | 36,957 |
| Shri. Subrata Kumar Mitra | Non-Executive/ Independent | 5 | 2 | – | – |
| Shri. Rameshwar Pal Agrawal | Non-Executive/ Independent | – | – | – | – |
| Shri. Trivikram Khaitan | Non-Executive/ Independent | – | – | – | – |
| Shri. Rahul Choudhary | Non-Executive / Independent | – | – | – | – |
| Shri. Debjit Bhattacharya | Whole-time Director/ Executive | – | – | – | 16,000 |
| Smt. Gangotri Guha | Woman Director/ Non-Executive | 3 | – | – | – |

**Excluding foreign companies, private companies and companies under Section 8 of the Companies Act, 2013.

Chairmanship and membership of Audit Committee and Stakeholders' Relationship Committee is only considered.

Summary of Composition of the Board of Directors

| Directors | Number |
|-------------------------------|--------|
| Dependent, Non-Executive | Two |
| Independent, Non-Executive | Four |
| Executive | One |
| Woman Director, Non-Executive | One |

➤ Meeting of the Board of Directors

The dates of the Board Meeting are fixed in advance and accordingly intimation is sent to the Board Members. Senior officials are also invited to attend the meetings to provide clarification as and when required. During the year under review, 4(four) Board meetings were held.

The dates on which the Board Meetings were held are as follows: 28th May, 2014, 1st August, 2014, 6th November, 2014 and 29th January, 2015.

Attendance of the Directors at the Meeting of the Board and at the last AGM

| Director | Board Meetings Attended | Attended Last AGM |
|----------------------------|-------------------------|-------------------|
| Shri Prashant Jhawar | 3 | Yes |
| Shri Rajeev Jhawar | 2 | Yes |
| Shri Subrata Kumar Mitra | 4 | Yes |
| Shri Rameshwar Pal Agrawal | 3 | No |
| Shri Shiva Kumar Barasia | 4 | Yes |
| Shri Trivikram Khaitan | 3 | Yes |
| Shri Rahul Choudhary | 3 | No |
| Shri Debjit Bhattacharya | 4 | Yes |

➤ Functioning and responsibilities of Board of Directors

The Board of directors plays the primary role in ensuring good corporate governance and functioning of the Company. All statutory and other significant and material information including information mentioned in Annexure X of the Equity Listing Agreement is placed before the Board to enable it to discharge its responsibilities of strategic supervision of the Company as trustees of the members. The Company has an effective post-meeting follow-up mechanism in place. Action Taken Report on decisions taken at previous meetings of the Board is reviewed at the subsequent meeting of the Board.

➤ Compliance with Laws

Pursuant to Clause 49 of the Equity Listing Agreement, the Board periodically reviews compliance report on all laws applicable to the Company, as prepared by the Company. There has been no non-compliance in this respect.

➤ Code of Conduct

The Company maintains a well-defined Code of Conduct for Board Members and Senior Executive of the Management, and the same has been circulated to all concerned and is also hosted on the website of the Company. As per clause 49 of the Equity Listing Agreement, the Board Members and Senior Executives of the Management have given their declarations confirming compliance of the provisions of the above Code of Conduct.

III. AUDIT COMMITTEE

➤ Constitution of Audit Committee

The Audit Committee has been constituted in line with the provisions of Clause 49(III) of the Equity Listing Agreement and also meets the requirement of Section 177 of the Companies Act, 2013. The members of the Committee are financial experts. Shri. Shiva Kumar Barasia, Director resigned from the Board with effect from 29th January, 2015. Consequently, the Board in the meeting held on 29th January, 2015 reconstituted Audit Committee as follows:

The members of Audit Committee as on 31st March 2015 are as follows:

| Name | Designation |
|------------------------|------------------------------------|
| Shri Rahul Choudhary | Chairman/Independent/Non-executive |
| Shri Trivikram Khaitan | Member/Independent/Non-executive |
| Smt. Gangotri Guha | Member/Dependent/Non-executive |

The Company Secretary acts as the Secretary to the Committee.

➤ Terms of Reference for Audit Committee

The Terms of Reference of Audit Committee is in accordance with Section 177 of the Companies Act 2013 and also include the power as laid out in Clause 49 III (C) of the Equity Listing Agreement and role as stipulated in Clause 49 III (D) of the Equity Listing Agreement.

Apart from the Annual Accounts, the Audit Committee had also reviewed the Un-audited quarterly financial results and internal audit report of the Company during the year.

➤ Meeting of the Audit Committee

The dates of the Audit Committee Meeting are fixed in advance and accordingly intimation is sent to the Audit Committee Members. During the year under review, 4 (four) Audit Committee Meetings were held on 28th May, 2014, 1st August 2014,

6th November, 2014 and 29th January, 2015.

| Director | Audit Committee Meeting Attended |
|--------------------------|----------------------------------|
| Shri Rahul Choudhary | 3 |
| Shri Shiva Kumar Barasia | 4 |
| Shri Trivikram Khaitan | 4 |

The Chairman of the Audit Committee was not able to attend the last Annual General Meeting held on 1st August, 2014.

IV. NOMINATION AND REMUNERATION COMMITTEE

➤ Constitution of Nomination and Remuneration Committee

The Nomination and Remuneration Committee has been constituted in line with the provisions of Clause 49(IV) of the Equity Listing Agreement and also meets the requirement of Section 178 of the Companies Act, 2013. As on 31st March 2015, the Committee comprises of following members:

| Name | Designation |
|------------------------|----------------------------------|
| Shri Rajeev Jhawar | Member/Dependent/ Non-Executive |
| Shri Rahul Chaudhary | Member/Independent/Non-Executive |
| Shri Trivikram Khaitan | Member/Independent/Non-Executive |

The Company Secretary acts as Secretary of the Committee.

➤ Terms of Reference of Nomination and Remuneration Committee

The Terms of Reference of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and also include the roles as stipulated in Clause 49 IV(B) of the Equity Listing Agreement.

➤ Meeting of the Nomination and Remuneration Committee

During the financial year ended 31st march 2015, one meeting of Nomination and Remuneration committee was held in the month of January 2015. The agenda of the meeting includes the following :

1. To consider, review and recommend the terms of reappointment of Shri Debjit Bhattacharya as Whole-time Director of the Company.
2. To consider and recommend the Board about the appointment of Smt Gangotri Guha as a Director of the Company.
3. To laid down criteria for selection and appointment of Directors and KMPs of the Company.

➤ Details of Remuneration paid to all Directors

• Executive Directors

The remuneration of Whole-time Director is recommended by the Nomination and Remuneration Committee to the Board of Directors for its necessary consideration and approval. The remuneration of the Executive Director is to be approved by the members at the General Meeting of the Company.

| Executive Director | Relationship with other Directors | Business relationship with the Company | All elements of remuneration package | Fixed components and performance linked incentives | Service contracts, notice period | Stock options details, if any |
|--------------------------|-----------------------------------|--|--------------------------------------|--|----------------------------------|-------------------------------|
| Shri Debjit Bhattacharya | None | Whole-time Director | Pl. see note below | Pl. see note below | Pl. see note below | Pl. see note below |

Notes:

- a) Details as per Note 6 to the Notes of Accounts;
- b) The appointment is subject to termination by 3 months' notice in writing from either side;
- c) The Company does not have any scheme for grant of stock options to its Directors and Employees.

- **Non- Executive Directors**

| Directors | Sitting Fees Paid (₹) | | |
|----------------------------|-------------------------|-------------------------|---------------------------------------|
| | Board Meeting | Audit Committee Meeting | Nomination and Remuneration Committee |
| Shri Prashant Jhawar | 6,000 | NA | NA |
| Shri Rajeev Jhawar | 4,000 | NA | NA |
| Shri Subrata Kumar Mitra | 8,000 | NA | NA |
| Shri Rameshwar Pal Agrawal | 6,000 | NA | NA |
| Shri Shiva Kumar Barasia | 8,000 | 8000 | 2000 |
| Shri Trivikram Khaitan | 6,000 | 8000 | 2000 |
| Shri Rahul Choudhary | 6,000 | 6000 | 2000 |

The Non-Executive Directors of the Company are also eligible for commission for any financial year as per the Articles of Association of the Company, if approved by the Board. The Non-Executive Directors were not paid any commission or any other remuneration during the financial year under review.

V. STAKEHOLDERS' RELATIONSHIP COMMITTEE

➤ **Constitution of Stakeholders' Relationship Committee**

The Stakeholders' Relationship Committee comprises of following members as on 31st March 2015:

| Name | Designation |
|--------------------------|---------------------------------------|
| Shri Rajeev Jhawar | Chairman/Dependent/Non-Executive |
| Shri Subrata Kumar Mitra | Member/Independent/Non-Executive |
| Shri Debjit Bhattacharya | Member/Whole-time Director/ Executive |

The Company Secretary acts as the Compliance Officer in the meetings of the committee.

➤ **Terms of Reference of the Committee**

The Terms of Reference of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and also include the roles as stipulated in Clause 49 IV(B) of the Equity Listing Agreement.

Status of complaints for the period from 01-04-2014 to 31-03-2015

| | |
|---|----|
| Complaints pending as on 1st April, 2014 | - |
| Number of complaints received | 15 |
| Number of complaints attended to/resolved | 15 |
| Complaints pending as on 31st March, 2015 | - |
| Number of share transfer pending for approval as on 31 st March,2015 | - |

➤ **Meeting of the Stakeholders' Relationship Committee**

During the year under review, 4 (Four) Stakeholders' Relationship Committee Meetings were held on 2nd April, 2014, 31st July, 2014, 6th November, 2014, and 29th January, 2015.

| Director | Stakeholders' Relationship Committee Meetings attended |
|--------------------------|--|
| Shri Rajeev Jhawar | 4 |
| Shri Subrata Kumar Mitra | 1 |
| Shri Debjit Bhattacharya | 4 |

➤ Independent Directors Meeting

During the year under review, 1 (one) Independent Directors Meeting was held on 29th January, 2015 as per the provision of Companies Act, 2013 and Clause 49 of the Listing Agreement. All the Independent Directors attended the meeting.

VI. GENERAL BODY MEETINGS

Particulars of Annual General Meetings (AGM) held during the three previous years

| Date | Venue | Special Resolutions Passed |
|--|--|----------------------------|
| 1 st August, 2014 at 2:30 P.M | Shripati Singhanian Hall, Rotary Sadan, 94/2, J.N Road, Kolkata-700020 | None |
| 1 st August, 2013 at 2:30 P.M | Shripati Singhanian Hall, Rotary Sadan, 94/2, J.N Road, Kolkata-700020 | None |
| 1 st August, 2012 at 2:30 P.M | Shripati Singhanian Hall, Rotary Sadan, 94/2, J.N Road, Kolkata-700020 | None |

VII. DISCLOSURES

➤ Materially significant related party transactions

The Board of Directors have adopted Related Party Disclosure Policy as per the newly enacted Companies Act, 2013 and amended Clause 49 of the Listing Agreement and the same is disclosed in the website of the Company.

There were no materially significant related party transactions (i.e. transactions of the Company of material nature) made by the Company with its Promoters, Directors or Management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.

Transactions with the related parties are disclosed in the Notes to the Accounts.

➤ Details of Non-compliance during the last three year

During the last three years, there were no strictures or penalties imposed on the Company by either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter relating to Capital Market.

➤ Whistle Blower Policy

The Whistle Blower Policy made in accordance with Companies Act, 2013 and Clause 49(F) of the Listing Agreement has been adopted by the Board of Directors and the same is disclosed in the website of the Company. It is also affirmed that no personnel has been denied access to the Audit Committee :-

➤ Subsidiaries

The Company has a subsidiary under the name and style of "Usha Martin Education Private Limited" which is non-listed Indian Subsidiary as per clause 49 V (A) of the Equity Listing Agreement. An Independent Director of the Company is appointed as one of the Director of subsidiary company. The minutes of proceedings of meetings of the Board of Directors of subsidiary company are placed before the Board of Directors of the Company and attention of the directors is drawn to significant transactions and arrangements entered into by the subsidiary company.

➤ Disclosure of Accounting treatment

The financial statements are prepared on accrual basis of accounting and in accordance with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India from time to time, Indian GAAP, provisions of the Company Act, 2013 and comply in material aspects with the accounting standards notified under the Companies Act, 2013.

➤ CEO/CFO Certification

As required by Clause 49 (IX) of the Equity Listing Agreement, the management has given a declaration to the Board that they have no personal interest in any material, commercial and financial transactions that may have potential conflict with the interest of the Company at large.

➤ Reconciliation of Share Capital Audit

A qualified practicing Company Secretary carried out a Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Ltd (NSDL) and Central Depository Services Ltd (CDSL) with the total issued paid-up and listed capital. The Reconciliation of Share Capital Audit Report confirms the total issued/paid-up capital is in agreement with the total number of share in physical and dematerialized form.

➤ **Compliance with Non Mandatory requirements**

● **The Board**

The Board decided to maintain the office of Chairman and Vice-Chairman. Shri Prashant Jhawar and Shri Rajeev Jhawar were appointed/ elected to be the Chairman and Vice-Chairman of the Company, respectively, until otherwise decided.

● **Audit Qualification**

There is no audit qualification.

● **Report of Internal Auditor**

Internal Audit Report as issued by the Internal Auditor of the Company is reviewed quarterly by the Audit Committee of the Company.

The rest of the Non Mandatory Requirements such as Shareholders' Right and Training of Board Members will be implemented by the Company as and when required and / or deemed necessary by the Board.

VIII. MEANS OF COMMUNICATION

➤ **Financial Results**

The quarterly unaudited financial results of the Company are announced within 45 days of the end of respective quarter and the audited financial results are announced within 60 days of the end of financial year. The results are published in one English Newspaper and a vernacular (Bengali) Newspaper. The results are also promptly forwarded to stock exchanges in which the shares of the Company are listed.

➤ **Website**

The Company's website www.umesl.co.in provides a separate section for the investors where relevant shareholders information is available. The Annual Report of the Company is also available on the website in a user-friendly and downloadable form.

➤ **Annual Report**

Annual Report is circulated to members and others entitled thereto. Corporate Governance Report form a part of the Annual Report.

➤ **Chairman's speech at General Meeting**

Chairman's speech is distributed to the members at the Annual General Meeting. The same is also sent to the stock exchanges for information of members.

IX. GENERAL SHAREHOLDERS INFORMATION

| | |
|--|---|
| ➤ Date of Incorporation | 18 th August, 1997 |
| ➤ Corporate Identity Number (CIN) | L31300WB1997PLC085210 |
| ➤ Registered Office | PS Srijan Tech Park, DN - 52, 4 th Floor Sector - V, Salt Lake City Kolkata 700 091 |
| ➤ Date, time and Venue of Annual General Meeting | Wednesday, 5 th August, 2015 at 2.30 pm at 'Shripati Singhanian Hall', Rotary Sadan, 94/2, Jawaharlal Nehru Road, Kolkata - 700020 |
| ➤ Financial Calendar (tentative and subject to change) | |
| ● Financial reporting for the first quarter ending June 30, 2015 | On or before 14 th August, 2015 |
| ● Financial reporting for the second quarter ending September 30, 2015 | On or before 15 th November, 2015 |
| ● Financial reporting for the third quarter ending December 31, 2015 | On or before 15 th February, 2016 |
| ● Audited Results for the year ended March 31, 2016 | On or before 30 th May, 2016 |
| ● Annual General Meeting for the year ended March 31, 2016 | On or before 31 st October, 2016 |
| ➤ Date of Book Closure | 24 th July, 2015 to 5 th August, 2015 (both days inclusive) |
| ➤ Dividend Payment Date | Not Applicable |

| | | |
|---|--|-----------------|
| ➤ Listing on Stock Exchange and Code Number | Stock Exchange | Scrip Code |
| • Equity Shares | Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 | 532398 UMESL |
| | National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor, Plot No.C/1, G Block Bandra Kurla Complex, Bandra (E)Mumbai - 400 051 | UMESLLTD. |
| • Global Depository Receipt (GDRs) | Societ  de la Bourse de Luxembourg Societe Anonyme, R.C.B.6222 B.P. 165, L-2011 Luxembourg | UMIFG |
| • Overseas Depository for GDRs | Deutsche Bank Trust Company Americas, 60, Wall Street, New York, NY10005, United States | |
| • Domestic Custodian of GDRs | ICICI Bank Limited Securities Market Services, 1 st floor, Empire Complex, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013 | |
| ➤ ISIN | Fully paid up equity shares: ISIN INE240C01028 GDRs : US91730W1053 | |
| ➤ Registrar and Transfer Agents | MCS Limited 77/2A, Hazra Road, Kolkata-700 029 Ph. : 033 2454 1892/93, 033 4072 4252/53 Fax : 033 2454-1961 E-mail : mcskol@rediffmail.com Website : www.mcsdel.com | |
| ➤ Address for correspondence / enquiry | Usha Martin Education & Solutions Limited PS Srijan Tech Park, 4th Floor, DN-52, Sector V, Salt Lake City, Kolkata-700 091 Email: ranendranath.chakraborty@umesl.co.in | |

➤ **Market Price Data**

Share price for financial year 2014-15

Prices in ₹

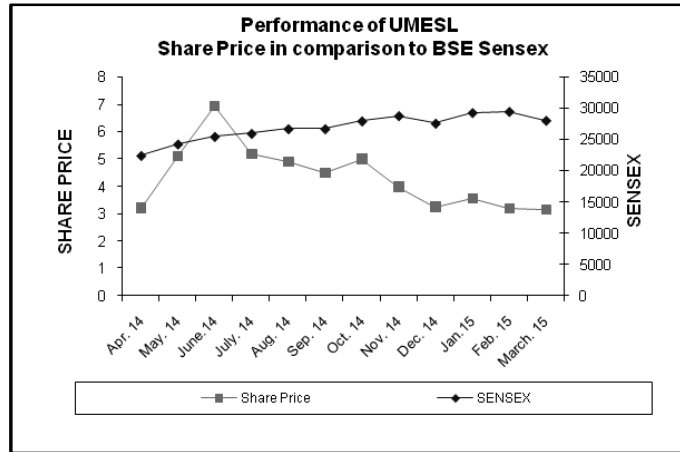
| Month | High | Low |
|--------|------|------|
| Mar'15 | 3.52 | 2.55 |
| Feb'15 | 3.79 | 3.04 |
| Jan'15 | 4.24 | 3.07 |
| Dec'14 | 4.28 | 3.00 |
| Nov'14 | 4.93 | 3.55 |
| Oct'14 | 5.38 | 3.91 |
| Sep'14 | 6.40 | 4.45 |
| Aug'14 | 5.72 | 4.27 |
| Jul'14 | 7.26 | 4.75 |
| Jun'14 | 7.59 | 4.91 |
| May'14 | 5.53 | 2.88 |
| Apr'14 | 3.40 | 2.85 |

Distribution of Shareholding as on 31st March, 2015

| Range | No. of Shareholders | Number of Shares |
|---------------|---------------------|------------------|
| 1 - 500 | 29588 | 2090322 |
| 501 - 1000 | 1097 | 923393 |
| 1001 - 5000 | 904 | 2133125 |
| 5001 - 10000 | 207 | 3350970 |
| 10001 & above | 27 | 17918001 |
| Total | 31823 | 26415811 |

➤ **Performance of Company’s Shares vis-à-vis BSE Sensex**

Comparison of monthly closing price of the Company with monthly closing BSE Sensex during the period April 2014 to March, 2015 is given below:

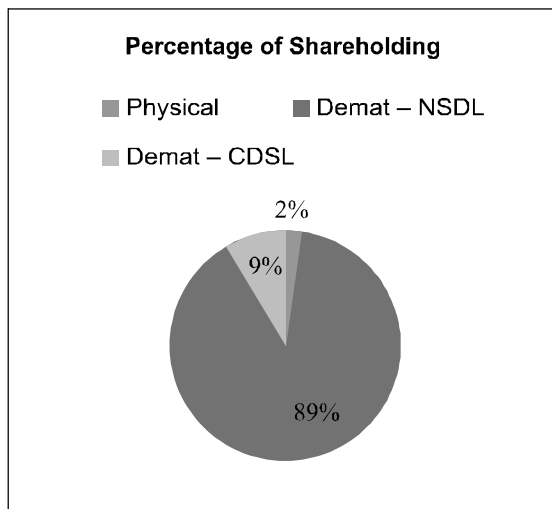


➤ **Dematerialization of Shares and Liquidity as on 31st March, 2015**

The shares of the Company are compulsorily traded in dematerialized form. In order to facilitate the members to dematerialize the shares, the Company has an agreement with NSDL and CDSL. The summarized position of members in physical and Demat segment as on 31st March, 2015 is as under:

| Type of shareholding | Number of Shares | Percentage of Shareholding |
|----------------------|------------------|----------------------------|
| Physical | 612695 | 2.32 |
| Demat - NSDL | 23558546 | 89.18 |
| Demat - CDSL | 2244570 | 8.50 |
| Total | 26415811 | 100 |

➤ **Physical vis-à-vis Demat shareholding as on 31st March 2015**



➤ **Pattern of shareholding as on 31st March, 2015**

| Category | No. of shareholders | Percentage of shareholders | No. of shares held | Percentage of shareholding |
|---|---------------------|----------------------------|--------------------|----------------------------|
| Promoters Group | 20 | 0.06 | 11388396 | 43.11 |
| Mutual Funds/UTI | 6 | 0.02 | 1634 | 0.01 |
| Banks/Financial Institutions/Ins/ Govt. | 33 | 0.10 | 936562 | 3.54 |
| FIIS/FVC | 6 | 0.02 | 1562889 | 5.92 |
| Bodies Corporates | 476 | 1.49 | 1699694 | 6.43 |
| Individuals | 31139 | 97.85 | 8678345 | 32.85 |
| Others | 142 | 0.44 | 348836 | 1.32 |
| GDRs | 1 | 0.00 | 1799455 | 6.81 |
| Total | 31823 | 100.00 | 26415811 | 100.00 |

➤ **Share Transfer System**

The Company at its Registered Office or at M/s. MCS Ltd, Registrar and Transfer Agents, Kolkata receives the application for transfers, transmission, sub division and consolidation. As the Company's shares are currently traded in dematerialized form, the transfers are processed and approved in the electronic form by NSDL/CDSL through their depository participants. The Company on a regular basis processes the physical transfers and the certificates are dispatched by the Registrar directly to the transferees. A committee of the members of the Board is also formed to approve the share transfer on a fortnightly basis.

➤ **Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity.**

As on 31st March, 2015, there are 1,799,455 outstanding GDRs each representing one equity share of the Company.

INDEPENDENT AUDITOR'S REPORT

To the Members of USHA MARTIN EDUCATION & SOLUTIONS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **USHA MARTIN EDUCATION & SOLUTIONS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the 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 Standalone 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 standalone 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 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 standalone 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 thereunder.

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. 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 audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 state of affairs of the Company as at 31st March, 2015, and its Loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 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.
 - (d) In our opinion, the aforesaid standalone 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 the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) In our opinion, the company has adequate internal financial controls over financial reporting of the Company.
 - (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 Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S. Swarup & Co.
Chartered Accountants
Firm's Registration No.310089E

S. S. Gupta
(Proprietor)
Membership No. 017897

Place: Kolkata
Date: 11th May, 2015

ANNEXURE TO THE AUDITORS' REPORT

(This is the Annexure referred to in our Report of even date)

In terms of the information and explanations given to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state as under:

- (i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) All fixed assets were physically verified by the management during the year. As informed no material discrepancies were noticed on such verification.
- (ii) The nature of company's activities during the year have been such that clause 3(ii) of the Order is not applicable.
- (iii) As the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Sec.189 of the Companies Act, 2013 so clause 3(iii) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, it appears that there are adequate internal control procedures commensurate with the size of the company and nature of its business for the purchase of fixed assets and for the sale of services. In our opinion there is no continuing failure to correct major weaknesses in internal control system.
- (v) As the Company has not accepted deposits, so the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, were not applicable. Hence, clause 3(v) of the Order is not applicable.
- (vi) The clause relating to maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 is not applicable to the company. Hence, clause 3(vi) of the Order is not applicable.
- (vii) (a) As per records produced before us, the company is generally regular in depositing undisputed statutory dues like Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and Statutory dues to the extent applicable to it with the appropriate authorities and there were no arrears of such dues at the year end which have remained outstanding for a period of more than six months from the date they became payable.
(b) According to the information and explanations given to us, there are no disputed dues of Income-Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty or Cess to the extent applicable to it.
(c) There is no such amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder so clause 3(vii) of the Order is not applicable.
- (viii) The Company does not have any accumulated loss as at 31st March, 2015. The company has incurred cash losses in the financial year under report, and also there are cash losses in the financial year immediately preceding such financial year.
- (ix) The company has not defaulted in repayment of dues to a financial institution or bank or debenture holders so clause 3(ix) is not applicable.
- (x) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) Since no term loans have been raised by the company, clause 3(xi) of the order is not applicable.
- (xii) On the basis of our examination and according to the information and explanations given to us, no fraud, on or by the Company, has been noticed or reported during the year.

For S. Swarup & Co.
Chartered Accountants
Firm's Registration No.310089E

S. S. Gupta
(Proprietor)
Membership No. 017897

Place: Kolkata
Date: 11th May, 2015

**Balance Sheet as at 31st March, 2015**

| Particulars | Note no. | As at 31st March, 2015 (Amount in ₹) | As at 31st March, 2014 (Amount in ₹) |
|-------------------------------------|--------------|--|--|
| I EQUITY AND LIABILITIES | | | |
| 1) Shareholders' Funds | | | |
| (a) Share Capital | 1 | 26,415,811 | 26,415,811 |
| (b) Reserves and Surplus | 2 | 167,824,122 | 182,558,143 |
| 2) Non - Current Liabilities | | | |
| (a) Long Term Provisions | 3 | 1,156,148 | 809,905 |
| 3) Current Liabilities | | | |
| (a) Short Term Borrowings | 4 | 14,289,254 | 10,250,122 |
| (b) Trade Payables | 5 | 9,424,558 | 8,305,825 |
| (c) Other Current Liabilities | 6 | 3,430,317 | 9,885,249 |
| (d) Short Term Provisions | 7 | 6,784,678 | 7,830,599 |
| | TOTAL | 229,324,888 | 246,055,654 |
| II ASSETS | | | |
| 1) Non - Current Assets | | | |
| (a) Fixed Assets | | | |
| (i) Tangible Assets | 8 | 22,920,390 | 25,961,813 |
| (ii) Intangible Assets | | 24,685 | 33,973 |
| (b) Non-Current Investments | 9 | 160,500,000 | 160,500,000 |
| (c) Long Term Loans and Advances | 10 | 2,374,868 | 2,906,785 |
| (d) Other Non- Current Assets | 11 | 2,192,523 | 2,144,367 |
| 2) Current Assets | | | |
| (a) Trade Receivables | 12 | 21,937,957 | 35,277,906 |
| (b) Cash and Cash equivalents | 13 | 1,066,057 | 2,006,402 |
| (c) Short Term Loans and Advances | 14 | 18,308,408 | 17,224,408 |
| | TOTAL | 229,324,888 | 246,055,654 |

Significant Accounting Policies and Notes on Accounts 20

This is the Balance sheet referred to in our report of even date

(S.S. Gupta)

Proprietor

Membership No. 17897

For and on behalf of

S.SWARUP & CO.

Chartered Accountants

Firm Registration No. 310089E

Place : Kolkata

Dated : 11th May, 2015

The Notes referred to above form an integral part of Balance Sheet

On behalf of the Board

Prashant Jhawar

Chairman

Debjit Bhattacharya

Whole-time Director

R. N. Chakraborty

Company Secretary

Statement of Profit and Loss for the Year Ended 31st March, 2015

| Particulars | Note no. | For the Year Ended 31st March, 2015 (Amount in ₹) | For the Year Ended 31st March, 2014 (Amount in ₹) |
|---------------------------------------|----------|---|---|
| I Revenue | | | |
| Revenue from Operations | 15 | 33,326,851 | 55,831,171 |
| Other Income | 16 | 1,689,446 | 592,535 |
| II Total Revenue | | 35,016,297 | 56,423,706 |
| III Expenses | | | |
| Employee Benefit Expense | 17 | 15,755,867 | 18,921,994 |
| Finance Costs | 18 | 2,125,674 | 1,342,417 |
| Depreciation and Amortization Expense | | 2,928,809 | 2,770,821 |
| Operating and Administrative Expenses | 19 | 28,939,968 | 38,944,435 |
| IV Total Expenses | | 49,750,318 | 61,979,667 |
| V Profit before Tax | | (14,734,021) | (5,555,961) |
| VI Tax Expense: | | | |
| Current Tax | | - | - |
| VII Profit / (Loss) after tax | | (14,734,021) | (5,555,961) |
| Earnings per Equity Share: | | | |
| (1) Basic | | (0.56) | (0.21) |
| (2) Diluted | | (0.56) | (0.21) |

Significant Accounting Policies and Notes on Accounts 20

This is the Statement of Profit & Loss referred to in our report of even date

The Notes referred to above form an integral part of Statement of Profit & Loss

(S.S. Gupta)

Proprietor

Membership No. 17897

For and on behalf of

S.SWARUP & CO.

Chartered Accountants

Firm Registration No. 310089E

Place : Kolkata

Dated : 11th May, 2015

On behalf of the Board

Prashant Jhavar

Chairman

Debjit Bhattacharya

Whole-time Director

R. N. Chakraborty

Company Secretary

Notes forming part of Balance Sheet

| | As at 31st March, 2015 (Amount in ₹) | As at 31st March, 2014 (Amount in ₹) |
|---|--|--|
| Note : 1 - SHARE CAPITAL | | |
| a) Authorised | | |
| 200,000,000 Equity Shares of ₹ 1/- each (Previous year 200,000,000 Equity Shares of ₹ 1/- each) | 200,000,000 | 200,000,000 |
| 1,000,000 10.75% Cumulative Redeemable Preference Shares of ₹ 50/- each | <u>50,000,000</u> | <u>50,000,000</u> |
| | <u><u>250,000,000</u></u> | <u><u>250,000,000</u></u> |
| b) Issued, Subscribed and Paid-up | | |
| 26,415,811 Equity Shares of ₹ 1/- each (Previous year 26,415,811 Equity Shares ₹ 1/- each) | 26,415,811 | 26,415,811 |
| | <u><u>26,415,811</u></u> | <u><u>26,415,811</u></u> |

Note :

Paid up capital includes 26,414,411 Equity Shares issued as fully paid-up in terms of the Scheme of Demerger approved by the Hon'ble Calcutta High Court.

- c) There has been no Movement in number of shares outstanding at the beginning and at the end of reporting period
- d) The Company has only one class of issued shares i.e. ordinary equity shares having par value of ₹. 1 per share. Each holder of ordinary shares is entitled to one vote per share and equal right for dividend. No preference and/or restrictions on distribution of dividend and repayment of capital is attached to the above shares.
- e) Shares in the Company held by each shareholder holding more than 5% as on balance sheet date

| Name of the shareholders | No. of Equity Shares as on 31.03.2015 | % of Equity Shares as on 31.03.2015 | No. of Equity Shares as on 31.03.2014 | % of Equity Shares as on 31.03.2014 |
|---|---------------------------------------|-------------------------------------|---------------------------------------|-------------------------------------|
| UMIL Share & Stock Broking Services Ltd | 3,075,127 | 11.64 | 3,075,127 | 11.64 |
| Peterhouse Investment India Limited | 2,968,718 | 11.24 | 2,968,718 | 11.24 |
| Peterhouse Investment Limited | 2,388,291 | 9.04 | 2,388,291 | 9.04 |
| Prajeev Investments Limited | 2,057,610 | 7.79 | 2,057,610 | 7.79 |
| Deutsche Bank Trust Company Americas | 1,799,455 | 6.81 | 1,799,455 | 6.81 |

- f) There are no shares reserved for issue under option and contracts / commitments for sale of shares / disinvestment as at the Balance Sheet date.
- g) i) No shares have been allotted or has been bought back by the Company during the period of five years preceding the date as at which the Balance Sheet is prepared.
- ii) No convertible securities has been issued by the Company during the year.
- iii) No calls are unpaid by any Director and Officer of the Company during the year.

Notes forming part of Balance Sheet

| | As at 31st March, 2015 (Amount in ₹) | As at 31st March, 2014 (Amount in ₹) |
|--|--|--|
| Note : 2 - RESERVE AND SURPLUS | | |
| Securities Premium Account | | |
| As per last Account | 120,249 | 120,249 |
| | <u>120,249</u> | <u>120,249</u> |
| General Reserve Account (see note below) | | |
| As per last Balance Sheet | 182,437,894 | 187,993,855 |
| Add: Transferred from Statement of Profit & Loss | (14,734,021) | (5,555,961) |
| | <u>167,703,873</u> | <u>182,437,894</u> |
| | <u>167,824,122</u> | <u>182,558,143</u> |
| <p>Note: General Reserves are free reserve or undistributed profits and created out of appropriation of profits. The reserve is created based on the financial policy of the Company and discretion of the management. The reserve can be utilized for any general purpose of the business which may include, meeting future liability or loss, strengthening the financial position of the business/ expansion of business etc.</p> | | |
| Note : 3 - Long Term Provisions | | |
| Provision for Employee benefit | | |
| - Gratuity (Funded) | 811,942 | 551,486 |
| - Leave Encashment (Un-funded) | 344,206 | 258,419 |
| | <u>1,156,148</u> | <u>809,905</u> |
| Note : 4 - Short Term Borrowings | | |
| Secured : IDBI Overdraft Account | 4,289,254 | 3,750,122 |
| (Secured against hypothecation of current and movable fixed assets, both present and future and ranking pari passu with the existing lenders for their loans. Also collaterally secured by Escrow account and lien on Fixed Deposit together with future interest) | | |
| Unsecured : Loans from corporate bodies | 10,000,000 | 6,500,000 |
| | <u>14,289,254</u> | <u>10,250,122</u> |
| Note : 5 - Trade Payables | | |
| For Supplies / Services | 5,469,690 | 2,493,837 |
| Accrued Expenses | 3,954,868 | 5,811,988 |
| | <u>9,424,558</u> | <u>8,305,825</u> |
| Note : 6 - Other Current Liabilities | | |
| Advance Received from Customers | 46,395 | 252,395 |
| Other Payables | | |
| Statutory Dues | 1,580,987 | 7,153,690 |
| Interest on Unsecured Loan | - | 204,854 |
| Capital Goods | 32,136 | 144,296 |
| Employees related liability | 1,770,799 | 2,130,014 |
| | <u>3,430,317</u> | <u>9,885,249</u> |
| Note : 7 - Short Term Provisions | | |
| Provisions for Taxation | 6,705,965 | 7,766,560 |
| Provision for Employee benefit | | |
| - Gratuity (Funded) | 66,945 | 53,256 |
| - Leave Encashment (Un-funded) | 11,768 | 10,783 |
| | <u>6,784,678</u> | <u>7,830,599</u> |

Notes forming part of Balance Sheet

Note : 8- Fixed Assets [Refer Point 1 (b) of Note 20]

(Amount in ₹)

| Description | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | | | |
|-----------------------------|--------------------------------|---------------|------------------------------------|--------------------------------|------------------------|-----------------------------------|------------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | Balance as at 31st March, 2014 | Additions | Sales/ Adjustments during the year | Balance as at 31st March, 2015 | As at 31st March, 2014 | Depreciation Charges for the Year | Sales/ Adjustments during the year | Balance as at 31st March, 2015 | Balance as at 31st March, 2015 | Balance as at 31st March, 2014 |
| A. Tangible Assets | | | | | | | | | | |
| Building | 13,472,826 | – | – | 13,472,826 | 656,642 | 212,870 | – | 869,512 | 12,603,314 | 12,816,184 |
| Plant and Equipment | 11,845,062 | – | – | 11,845,062 | 10,670,340 | 302,087 | 16,536 | 10,955,891 | 889,171 | 1,174,722 |
| Office Equipment | 4,795,146 | 13,300 | 7,280 | 4,801,166 | 1,314,482 | 1,003,657 | 7,106 | 2,311,033 | 2,490,133 | 3,480,664 |
| Furniture & Fixtures | 11,469,851 | – | 231,765 | 11,238,086 | 4,035,298 | 1,179,200 | 66,866 | 5,147,632 | 6,090,454 | 7,434,553 |
| Vehicles | 1,961,064 | – | – | 1,961,064 | 905,374 | 208,372 | – | 1,113,746 | 847,318 | 1,055,690 |
| | 43,543,949 | 13,300 | 239,045 | 43,318,204 | 17,582,136 | 2,906,186 | 90,508 | 20,397,814 | 22,920,390 | 25,961,813 |
| B. Intangible Assets | | | | | | | | | | |
| Software | 3,582,207 | 14,000 | 60,000 | 3,536,207 | 3,548,234 | 22,623 | 59,335 | 3,511,522 | 24,685 | 33,973 |
| | 3,582,207 | 14,000 | 60,000 | 3,536,207 | 3,548,234 | 22,623 | 59,335 | 3,511,522 | 24,685 | 33,973 |
| Total (A) + (B) | 47,126,156 | 27,300 | 299,045 | 46,854,411 | 21,130,370 | 2,928,809 | 149,843 | 23,909,336 | 22,945,075 | 25,995,786 |
| Previous Year | 58,344,483 | 301,872 | 11,520,199 | 47,126,156 | 27,136,537 | 2,770,821 | 8,776,988 | 21,130,370 | 25,995,786 | |

Notes forming part of Balance Sheet

Note : 9- Non Current Investments

Investments in Equity Instruments

| Name of the Body Corporate | Subsidiary /Associate /JV/ Controlled Entity /Others | No. of Shares | | Quoted/ Unquoted | Partly Paid/ Fully Paid | Extent of Holding | | Whether Stated at Cost | As at | As at |
|---|--|---------------|-----------|------------------|-------------------------|-------------------|-------|------------------------|-----------------------------------|-----------------------------------|
| | | 2015 | 2014 | | | 2015 | 2014 | | 31st March, 2015 (Amount in ₹) | 31st March, 2014 (Amount in ₹) |
| i) Usha Communications Technology Limited, British Virgin Islands | Others | 9,396,097 | 9,396,097 | Unquoted | Fully Paid up | 15.47 | 15.47 | Cost | 55,000,000 | 55,000,000 |
| ii) Redtech Network India Private Limited | Associate | 528,974 | 528,974 | Unquoted | Fully Paid up | 6.62 | 6.62 | Cost | 100,000,000 | 100,000,000 |
| iii) Usha Martin Education Private Limited | Subsidiary | 550,000 | 550,000 | Unquoted | Fully Paid up | 100 | 100 | Cost | 5,500,000 | 5,500,000 |
| Aggregate Amount of Unquoted Investment | | | | | | | | | 160,500,000 | 160,500,000 |

As at
31st March, 2015
(Amount in ₹)

As at
31st March, 2014
(Amount in ₹)

Note : 10 - Long Term Loans and Advances

Security Deposits (Unsecured considered good unless otherwise stated)

Considered Good

2,060,535

1,620,535

Other Loans and Advances (Recoverable in cash or in kind or for value to be received)

Prepaid expenses

314,333

1,286,250

2,374,868

2,906,785

Note : 11- Other Non-Current Assets

Fixed Deposit with Bank

704,233

649,720

(with IDBI Bank Ltd. for availing Working Capital Facility)

Gratuity (Funded with LIC of India)

1,488,290

1,494,647

2,192,523

2,144,367

Note : 12 - Trade Receivables

(Unsecured considered good unless otherwise stated)

Outstanding for a period exceeding six months

Considered Good

4,212,307

1,557,355

Considered Doubtful

—

—

4,212,307

1,557,355

4,212,307

1,557,355

Other Receivables

Considered Good

17,725,650

33,720,551

Considered Doubtful

—

—

17,725,650

33,720,551

21,937,957

35,277,906

Notes forming part of Balance Sheet

| | As at 31st March, 2015 (Amount in ₹) | As at 31st March, 2014 (Amount in ₹) |
|---|--|--|
| Note : 13 - Cash and Cash Equivalents | | |
| Cash on Hand | 32,051 | 82,763 |
| Balances with Banks | 1,034,006 | 1,923,639 |
| Fixed Deposit with Bank (with IDBI Bank Ltd. for availing Working Capital Facility) | 704,233 | 649,720 |
| Less: Non Current portion transferred to Other Non-Current Assets (Ref. Note No. 11) | <u>704,233</u> | <u>649,720</u> |
| | <u><u>1,066,057</u></u> | <u><u>2,006,402</u></u> |
| Note : 14 - Short Term Loans and Advances | | |
| Other Loans and Advances (Recoverable in Cash or in kind or for value to be received) | | |
| Advance Payment of Taxes | 16,839,367 | 15,505,149 |
| Advance against supplies of Goods and Services | 276,578 | 233,384 |
| Prepaid Expenses | 1,064,541 | 1,401,953 |
| Advance /Loans to Employees | <u>127,922</u> | <u>83,922</u> |
| | <u><u>18,308,408</u></u> | <u><u>17,224,408</u></u> |

Notes forming part of Statement of Profit and Loss

| | For the Year Ended 31st March, 2015 (Amount in ₹) | For the Year Ended 31st March, 2014 (Amount in ₹) |
|---|---|---|
| Note : 15 - Revenue from Operations | | |
| Income from Learning Business (Tax deducted at Source ₹. 1,141,594/- , Previous Year ₹. 2,461,666/-) | 33,326,851 | 55,831,171 |
| | <u><u>33,326,851</u></u> | <u><u>55,831,171</u></u> |
| Note : 16 - Other Income | | |
| Interest Income on | | |
| Bank (Tax deducted at Source ₹. 6,057/- , Previous Year. ₹. 5,320/-) | 60,570 | 53,198 |
| Others | - | 89,683 |
| Liabilities no longer required written back | - | 300,676 |
| Income on Planned Assets (Gratuity) | 128,963 | 148,978 |
| Service Charges (Tax deducted at Source ₹. 114,468/- , Previous Year. Nil) | <u>1,499,913</u> | <u>-</u> |
| | <u><u>1,689,446</u></u> | <u><u>592,535</u></u> |
| Note : 17 - Employee Benefit expense | | |
| Salaries and Bonus | 14,135,056 | 17,651,604 |
| Contribution to Provident Fund and other Funds | 1,446,191 | 1,094,821 |
| Staff Welfare Expenses | <u>174,620</u> | <u>175,569</u> |
| | <u><u>15,755,867</u></u> | <u><u>18,921,994</u></u> |
| Note : 18 - Finance Costs | | |
| (No Borrowing Cost has been Capitalized during the year) | | |
| Interest on Working Capital Loan from Bank | 572,091 | 336,369 |
| Other Borrowing Cost | 1,541,083 | 984,769 |
| Others | <u>12,500</u> | <u>21,279</u> |
| | <u><u>2,125,674</u></u> | <u><u>1,342,417</u></u> |

Notes forming part of Statement of Profit and Loss

| | For the Year Ended 31st March, 2015 (Amount in ₹) | For the Year Ended 31st March, 2014 (Amount in ₹) |
|--|---|---|
| Note : 19 - Operating and Administrative Expenses | | |
| Travelling and Conveyance | 1,692,675 | 951,724 |
| Communication | 1,116,832 | 1,049,537 |
| Power | 952,805 | 1,916,186 |
| Maintenance expenses | 1,636,323 | 3,184,761 |
| Rent (Including Lease Rent) | 2,970,900 | 5,986,326 |
| Insurance | 162,308 | 370,763 |
| Computer Consumables | 84,287 | 277,233 |
| Professional and Consultancy charges | 10,671,658 | 13,349,699 |
| Legal & Secreterial | 812,179 | 643,861 |
| Marketing and Advertisement | 606,195 | 1,562,640 |
| Business Development | 8,726 | 6,370 |
| Printing and Stationery | 1,639,398 | 1,219,973 |
| Brokerage and Commission | 5,000 | 90,000 |
| Hire charges | 1,503,337 | 2,644,424 |
| Registration and Courseware | 2,175,923 | 1,799,243 |
| Directors Meeting Fees | 72,000 | 72,000 |
| Auditors' Remuneration | | |
| For Statutory Audit | 100,000 | 100,000 |
| For Tax Audit | 25,000 | 25,000 |
| Rates and Taxes | 2,500 | 2,500 |
| Loss on Discard of Fixed Assets | 99,202 | 2,121,076 |
| Bank Charges | 66,923 | 106,082 |
| Foreign Exchange Fluctuation Loss (Net) | 148,882 | 457 |
| Bad Debts/Sundry Balances written off (Net) | 1,218,989 | 389,553 |
| Miscellaneous Expenses | 1,167,926 | 1,075,027 |
| | <u>28,939,968</u> | <u>38,944,435</u> |

Note 20 : Significant Accounting Policies and Notes on Accounts for the year ended 31st March, 2015

1 SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation of Financial Statement

The Company generally follows mercantile system of accounting unless otherwise stated and recognizes income and expenditure on accrual basis except those with significant uncertainties. The accounts have been prepared in accordance with historical cost convention method.

b) Fixed Assets and Depreciation

Fixed assets comprising both tangible and intangible items are stated at cost less depreciation. The Company capitalizes all costs relating to acquisition of fixed assets. Cost of Software expected to be used on long-term basis is capitalized.

Depreciation (including amortization) on fixed assets has been provided on the basis of the useful life of assets as provided in schedule II to the Companies Act, 2013 (the "Act").

Depreciation on additions and deletions to fixed assets is provided on a pro-rata basis.

c) Investments

Long-term investments are valued at their acquisition cost. Any decline in the value of the said investment, other than a temporary decline, is recognized and charged to the Statement of Profit and Loss.

Current Investments are stated at lower of cost or fair value.

d) Revenue Recognition

Revenue from training is recognized over the period of the course program.

Revenue from operations is accounted for net of Service Tax.

e) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires

Note 20 : Significant Accounting Policies and Notes on Accounts for the year ended 31st March, 2015

management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

f) Current and Non Current assets and liabilities

An asset or liability is classified as current when it satisfies any of the following criteria

- (i) It is expected to be realized / settled, or is intended for sale or consumption, in the Company's normal operating cycle:
- (ii) It is held primarily for the purpose of being traded:
- (iii) It is expected to be realized / due to be settled within twelve months after the reporting date: or
- (iv) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date or
- (v) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date

g) Foreign Currency Transactions

Transactions in foreign currency are accounted for at the rates prevailing on the date of the transaction. Monetary assets and liabilities in foreign currencies at the year-end are restated at the exchange rates prevailing on that date. Gain/loss arising out of exchange fluctuation on settlement or such restatement are accounted for in the Statement of Profit and Loss, except to the extent these relate to acquisition of fixed assets, in which case these are adjusted to the carrying value of the related fixed assets.

h) Leases

Operating Leases – Rentals are expensed with reference to lease terms and other considerations.

i) Employee Benefits

- (i) Contribution to employee provident fund is charged to revenue on a monthly basis
- (ii) Liability for retiral, gratuity and un-availed earned leave is provided for based on an independent actuarial valuation report as per the requirements of Accounting Standard - 15 (revised) on "Employee Benefits".
- (iii) Employee benefits of short-term nature are recognized as expense as and when it accrues. Long term employee benefits (e.g. long-service leave) and post employments benefits (e.g. gratuity), both funded and unfunded, are recognized as expense based on actuarial valuation.

j) Taxation

Current Tax in respect of taxable income of the year is provided for based on applicable tax rates and laws.

Deferred tax is recognized subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and is measured using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets / liabilities are reviewed at each Balance Sheet date.

k) Borrowing Cost

Borrowing cost attributable to the acquisition and contribution of qualifying assets are added to the cost up to date when such assets are ready for their intended use. Other borrowings cost are recognized as expense in the period in which these are incurred.

l) Contingencies

Contingencies, which can be reasonably ascertained, are provided for if, in the opinion of the Company, there is a probability that the future outcome may be materially adverse to the Company.

m) Prior Period and Extra Ordinary Items and Changes in Accounting Policies

Prior Period and Extra Ordinary Items and Changes in Accounting Policies having material impact on the financial affairs of the Company are disclosed.

- 2) During the year, the Company has utilized its working capital facility (Overdraft) of ₹ 50 lacs from IDBI Bank Ltd, secured by first charge by way of hypothecation of all the current assets, both present and future, of the Company. The above loan is also collaterally secured by first charge by way of hypothecation of movable fixed assets of the Company.

3) Foreign Currency Earnings & Outgo:

- a) Expenditure in foreign currency :

| | 2014-15 (₹) | 2013-14 (₹) |
|--------------|-------------|-------------|
| Listing Fees | 174,975 | 213,650 |

Note 20 : Significant Accounting Policies and Notes on Accounts for the year ended 31st March, 2015

b) Earnings in foreign currency:

| | 2014-15 (₹) | 2013-14 (₹) |
|---|-------------|-------------|
| Management Training, Educational Consultancy, Market Research and Delivery of modules for H & D Business Studies and Computing Studies. | 9,480,486 | — |

4) Related Party Disclosures Pursuant to Accounting Standard 18 issued by The Institute of Chartered Accountants of India.

i) **Related Parties**

| <u>Name</u> | <u>Relationship</u> |
|---|---|
| Usha Breco Realty Limited. | Substantial interest in voting power of the entity. |
| Usha Martin Limited. | - do - |
| Usha Martin Education Private Limited. | - do - |
| Usha Breco Limited | - do - |
| Usha Breco Educational Infrastructure Limited | - do - |
| Redtech Network India Private Limited. | - do - |
| Debjit Bhattacharya (Whole-time Director) | Key Managerial Personnel |
| Vinay Kumar Gupta (Chief Financial officer) | Key Managerial Personnel |
| Ranendranath Chakraborty (Company Secretary) | Key Managerial Personnel |

ii) Particulars of Transactions during the year ended 31st March, 2015

| Particulars | Subsidiaries and Associates (₹) | Key Management Personnel (₹) |
|---|---|------------------------------|
| Rent Paid (including lease Rent) | 1,569,000 1,569,000 | — — |
| Key Managerial's Personnel's Remuneration | — — | 2,059,555 1,647,156 |
| Income from Training | — 5,500,000 | — — |
| Service Charges | 444,042 — | — — |
| Balances outstanding at the year end | | |
| Usha Martin Limited | 267,672 | |
| Investment in Equity and Preference Shares | Refer Note No. 9 to Accounts - do - | |

Current year's remuneration to Key managerial Personnel's include remuneration of Chief Financial officer and Company Secretary apart from Whole-Time Director.

Figures in normal font relate to previous year

5) **Computation of Earning Per Equity Share (Basic and Diluted)**

| | For the year ended 31st March, 2015 | For the year ended 31st March, 2014 |
|--|--|--|
| (l) Basic | | |
| (a) (i) Number of Equity Shares at the beginning of the year | 26,415,811 | 26,415,811 |
| (ii) Number of Equity Shares at the end of the year | 26,415,811 | 26,415,811 |
| (iii) Weighted average number of Equity Shares outstanding during the year | 26,415,811 | 26,415,811 |
| (iv) Face Value of each Equity Share- ₹. | 1 | 1 |

Note 20 : Significant Accounting Policies and Notes on Accounts for the year ended 31st March, 2015

| | For the year ended 31st March, 2015 | For the year ended 31st March, 2014 |
|--|--|--|
| (b) Profit/(Loss) after tax attributable to Equity Shareholders - ₹. Net Profit/(Loss) after Taxation | <u>(14,734,021)</u> | <u>(5,555,961)</u> |
| Basic Earning per Share [(b)/(a)(iii)]- ₹. | (0.56) | (0.21) |
| (II) Diluted | | |
| (a) Diluted Potential Equity Shares | - | - |
| (b) Diluted Earning per Share [(b)/I(a)(iii)]- ₹. | (0.56) | (0.21) |

6) Minimum Managerial Remuneration paid/payable

| | 2014-15 (₹) | 2013-14 (₹) |
|--|------------------|------------------|
| (a) Key Managerial Personnel's Remuneration: | | |
| Salary | 700,444 | 546,756 |
| Contribution to Provident Fund | 84,054 | 65,611 |
| Contribution to Gratuity and Superannuation | 33,641 | 26,249 |
| Other Benefits (actual and/or estimated) | <u>1,241,416</u> | <u>1,008,540</u> |
| (b) Other Directors | | |
| Directors' Sitting Fees | <u>72,000</u> | <u>72,000</u> |
| | <u>2,131,555</u> | <u>1,719,156</u> |

Current year's remuneration to Key managerial Personnel's include remuneration of Chief Financial officer and Company Secretary apart from Whole-Time Director.

- 7) The Company has unabsorbed depreciation and carried forward losses available for set off under the Income-tax Act, 1961. However, in view of inability to assess future taxable income, the extent of net deferred tax assets which may be adjusted in the subsequent years, is not ascertainable with virtual certainty at this stage and accordingly the same has not been recognized in the accounts on prudent basis.
- 8) The Company has no amounts due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) as at 31.03.2015. The disclosure as required under the said Act as under:

| | |
|--|-----|
| a) Principal amount due to suppliers under MSMED Act | Nil |
| b) Interest due to suppliers as above | Nil |
| c) Any payment made to suppliers beyond appointed date (under Section 16 of the Act) | Nil |
| d) Interest due and payable to suppliers under MSMED Act | Nil |
| e) Interest accrued and remaining unpaid as at 31.03.2015 | Nil |
| f) Interest remaining due and payable as per Section 23 of the Act | Nil |

- 9) Defined Benefit Plans / Long Term Compensated Absences - as per Actuarial Valuations as on March 31, 2015 and recognized in the financial statements in respect of Employee Benefit Schemes. (Amount in ₹)

| I. Components Employer Expense | Gratuity (Funded) | Leave Encashment (Unfunded) |
|----------------------------------|----------------------|--------------------------------|
| 1 Current Service Cost | 155,913 | 68,605 |
| | 145,284 | 86,291 |
| 2 Interest Cost | 54,427 | 24,228 |
| | 73,361 | 31,338 |
| 3 Expected Return on Plan Assets | (100,889) | - |
| | (118,323) | - |
| 4 Curtailment Cost / (Credit) | - | - |
| | - | - |

Note 20 : Significant Accounting Policies and Notes on Accounts for the year ended 31st March, 2015

(Amount in ₹)

| I. Components Employer Expense | Gratuity (Funded) | Leave Encashment (Unfunded) |
|--|------------------------|-----------------------------|
| 5 Settlement Cost / (Credit) | — | — |
| 6 Past Service Cost | — | — |
| 7 Actuarial Losses / (Gains) | 371,051 (326,317) | 44,995 168,162 |
| 8 Total expense recognized in the Statement of Profit & Loss | 480,502 (225,995) | 137,828 285,791 |
| II Actuarial Returns for the period ended March, 2015 | — | — |
| III Net Asset / (Liability) recognized in Balance Sheet as at March 31, 2015 | | |
| 1 Present Value of Defined Benefit Obligation | 878,887 604,742 | 355,974 269,202 |
| 2 Fair Value on Plan Assets | 1,488,290 1,494,647 | — — |
| 3 Status [Surplus/(Deficit)] | 609,403 889,905 | (355,974) (269,202) |
| 4 Unrecognised Past Service Cost | — | — |
| 5 Net Asset/(Liability) recognized in Balance Sheet | 609,403 889,905 | (355,974) (269,202) |

| IV Change in Defined Benefit Obligations (DBO) during the year ended March 31, 2015 | Gratuity (Funded) | Leave Encashment (Unfunded) |
|---|-----------------------|-----------------------------|
| 1 Present Value of DBO at the Beginning of Period | 604,742 815,123 | 269,202 348,204 |
| 2 Current Service Cost | 155,913 145,284 | 68,605 86,291 |
| 3 Interest Cost | 54,427 73,361 | 24,228 31,338 |
| 4 Curtailment Cost / (Credit) | — | — |
| 5 Settlement Cost / (Credit) | — | — |
| 6 Plan Amendments | — | — |
| 7 Acquisitions | — | — |
| 8 Actuarial (Gains)/Losses | 399,125 (347,896) | 44,995 168,162 |
| 9 Benefits Paid | (335,320) (81,130) | (51,056) (364,793) |
| 10 Present Value of DBO at the End of Period | 878,887 604,742 | 355,974 269,202 |

Note 20 : Significant Accounting Policies and Notes on Accounts for the year ended 31st March, 2015

(Amount in ₹)

| V | Change in Fair Value of Assets during the year ended March 31, 2015 | Gratuity (Funded) | Leave Encashment (Unfunded) |
|---|---|-------------------|-----------------------------|
| 1 | Plan Assets at the Beginning of Period | 1,494,647 | — |
| | | 1,479,033 | — |
| 2 | Acquisition Adjustment | — | — |
| | | — | — |
| 3 | Expected Return on Plan Assets | 100,889 | — |
| | | 118,323 | — |
| 4 | Actuarial Gains/(Losses) | 28,074 | — |
| | | (21,579) | — |
| 5 | Actual Company Contribution | 200,000 | 51,056 |
| | | — | 364,793 |
| 6 | Benefits Paid | (335,320) | (51,056) |
| | | (81,130) | (364,793) |
| 7 | Present Value of DBO at the End of Period | 1,488,290 | — |
| | | 1,494,647 | — |

| VI Actuarial Assumptions | | | |
|---|------------------------------------|-------|-------|
| 1. | Discount Rate (%) | 7.80% | 7.80% |
| 2. | Expected Return on Plan Assets (%) | 9.00% | — |
| The estimates of future salary increases, considered in actuarial valuations take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. | | | |

Figures in normal font relate to previous year

- 10) Sundry Balances Written off amounting to ₹ 18,89,510/- have been shown net of Sundry Balances Written back amounting to ₹ 6,70,521/- resulting in net Sundry Balances Written off amounting to ₹ 12,18,989/- shown in Statement of Profit & Loss.
- 11) Balances of Sundry Debtors, Sundry Creditors and Loans and Advances (Dr. & Cr.) are subject to confirmation from the respective parties.
- 12) Previous year figures have been regrouped / rearranged wherever necessary.

(S.S. Gupta)

Proprietor

Membership No. 17897

For and on behalf of

S.SWARUP & CO.

Chartered Accountants

Firm Registration No. 310089E

Place : Kolkata

Dated : 11th May, 2015

On behalf of the Board

Prashant Jhawar

Chairman

Debjit Bhattacharya

Whole-time Director

R. N. Chakraborty

Company Secretary

Cash Flow Statement for the Year Ended 31st March, 2015

| | For the year ended 31st March, 2015 | | For the year ended 31st March, 2014 | |
|--|--|--------------------|--|---------------------|
| | (₹) | (₹) | (₹) | (₹) |
| A. Cash flow from Operating Activities : | | | | |
| Net Profit / (Loss) before Taxation | | (14,734,021) | | (5,555,961) |
| Adjustments for : | | | | |
| Depreciation | 2,928,809 | | 2,770,821 | |
| Profit/(Loss) on Sale of Fixed Assets | 99,202 | | 2,121,076 | |
| Interest Income | (189,533) | | (291,859) | |
| Finance costs | 2,125,674 | | 1,342,417 | |
| Provisions/Liabilities no longer required written back | — | | (300,676) | |
| Provision for Gratuity/Leave Encashment | 407,754 | | 59,796 | |
| Bad Debts/ Sundry balances written off | 1,218,989 | | 389,553 | |
| Foreign Exchange (Gain)/Loss (net) | 148,882 | 6,739,777 | 457 | 6,091,585 |
| Operating profit before Working Capital changes | | (7,994,244) | | 535,624 |
| (Increase)/Decrease of Trade and other receivables | 12,706,057 | | 2,326,273 | |
| Increase/(Decrease) of Current Liabilities and Other Provisions | (5,383,036) | 7,323,021 | (10,278,436) | (7,952,163) |
| Cash generated from / (used in) operations | | (671,223) | | (7,416,539) |
| Direct taxes (paid)/refund (Net) | | (2,394,813) | | (2,744,374) |
| Net Cash from / (used in) Operating Activities | | (3,066,036) | | (10,160,913) |
| B. Cash flow from Investing Activities : | | | | |
| Purchase of Fixed Assets | (27,300) | | (301,872) | |
| Proceeds from Sale of Assets | 50,000 | | 622,135 | |
| Interest received from Bank/Others | 189,533 | | 291,859 | |
| Net cash used in Investing Activities | | 212,233 | | 612,122 |
| C. Cash flow from Financing Activities : | | | | |
| Finance costs | (2,125,674) | | (1,137,563) | |
| Short Term Borrowings | 4,039,132 | | 10,250,122 | |
| Net Cash from Financing Activities | | 1,913,458 | | 9,112,559 |
| Net increase / (decrease) in cash and cash equivalents | | (940,345) | | (436,232) |
| Cash and Cash Equivalents at the beginning of the year [Refer Note- 13 to Accounts] | | 2,006,402 | | 2,442,634 |
| Cash and Cash Equivalents at the end of the year [Refer Note- 13 to Accounts] | | 1,066,057 | | 2,006,402 |
| | | (940,345) | | (436,232) |

Notes :

- The above Cash Flow Statement has been prepared under the Indirect method as set out in the Accounting Standard - 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.
 - Notes referred to above form an integral part of the Cash Flow Statement.
 - Previous year's figures have been regrouped / rearranged wherever necessary.
- This is the Cash Flow Statement referred to in our report of even date.

(S.S. Gupta)

Proprietor
Membership No. 17897
For and on behalf of
S.SWARUP & CO.
Chartered Accountants
Firm Registration No. 310089E

On behalf of the Board

Prashant Jhawar Chairman
Debjit Bhattacharya Whole-time Director
R. N. Chakraborty Company Secretary

Place : Kolkata
Dated : 11th May, 2015



Auditors' Certificate on compliance of conditions of Corporate Governance.

To
The Members
Usha Martin Education & Solutions Limited

We have reviewed the compliance of conditions of Corporate Governance by Usha Martin Education & Solutions Limited, for the year ended March 31, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s) in India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreements; through the Company's established risk assessment and minimization procedures (together with internal control system for financial reporting) are in the process of being formalized / updated. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For S.Swarup & Co.
Chartered Accountants
S .S. Gupta
(Proprietor)
Membership No. 17897

Place : Kolkata
Date : May 11, 2015

CEO & CFO Certification

CEO/CFO Certificate in terms of Clause 49 of the Equity Listing Agreement

To,
The Board of Directors,
Usha Martin Education & Solutions Limited

In pursuance to Clause 49 of the Equity Listing Agreement with various Stock Exchanges, we hereby certify as under with regard to the Annual Audited Accounts of the Company for the financial year ended 31st March, 2015, including the Schedules and notes forming part thereof, as well as the Cash Flow Statement for the financial year ended as on that date:

- a. That the financial statements and the cash flow statement for the year have been reviewed and that to the best of our knowledge and belief :
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. That there are, to the best of our knowledge and belief, no transactions entered into by the company during the year which is fraudulent, illegal or violative of the company's code of conduct.
- c. That we accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware of and the steps we have taken or propose to take to rectify these deficiencies.
- d. That we have indicated to the auditors and the Audit committee
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place: Kolkata
Date: 11th May, 2015

Debjit Bhattacharya
Whole-time Director

Vinay Kumar Gupta
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To the Members of USHA MARTIN EDUCATION & SOLUTIONS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated financial statements of USHA MARTIN EDUCATION & SOLUTIONS LIMITED and its subsidiaries, which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the 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

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 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 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 consolidated 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 thereunder.

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. 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 audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, 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 state of affairs of the Company as at 31st March, 2015, and its Loss and its cash flows for the year ended on that date.

For S.Swarup & Co.
Chartered Accountants
Firm Registration No. 310089E

Place : Kolkata
Date : 11th May, 2015

S.S. Gupta
(Proprietor)
Membership No. 17897

Consolidated Balance Sheet as at 31st March, 2015

| Particulars | Note no. | As at 31st March, 2015 (Amount in ₹) | As at 31st March, 2014 (Amount in ₹) |
|---|--------------|--|--|
| I EQUITY AND LIABILITIES | | | |
| 1) Shareholders' Funds | | | |
| (a) Share Capital | 1 | 26,415,811 | 26,415,811 |
| (b) Reserves and Surplus | 2 | 172,163,710 | 186,805,265 |
| 2) Non - Current Liabilities | | | |
| (a) Long Term Provisions | 3 | 1,156,148 | 809,905 |
| 3) Current Liabilities | | | |
| (a) Short Term Borrowings | 4 | 14,289,254 | 10,250,122 |
| (b) Trade Payables | 5 | 9,496,565 | 8,335,834 |
| (c) Other Current Liabilities | 6 | 3,438,843 | 9,889,743 |
| (d) Short Term Provisions | 7 | 6,784,678 | 7,830,599 |
| | TOTAL | 233,745,009 | 250,337,279 |
| II ASSETS | | | |
| 1) Non - Current Assets | | | |
| (a) Fixed Assets | 8 | | |
| (i) Tangible Assets | | 22,920,390 | 25,961,813 |
| (ii) Intangible Assets | | 24,685 | 33,973 |
| (b) Non-Current Investments | 9 | 155,000,000 | 155,000,000 |
| (c) Long Term Loans and Advances | 10 | 2,532,949 | 3,109,366 |
| (d) Other Non- Current Assets | 11 | 10,769,811 | 10,125,897 |
| 2) Current Assets | | | |
| (a) Trade Receivables | 12 | 21,937,957 | 35,277,906 |
| (b) Cash and Cash Equivalents | 13 | 1,080,227 | 2,071,072 |
| (c) Short Term Loans and Advances | 14 | 19,478,990 | 18,424,315 |
| (d) Other Current Assets | 15 | — | 332,937 |
| | TOTAL | 233,745,009 | 250,337,279 |
| Significant Accounting Policies and Notes on Accounts | 21 | | |

This is the Balance sheet referred to in our report of even date

(S.S. Gupta)

Proprietor

Membership No. 17897

For and on behalf of

S.SWARUP & CO.

Chartered Accountants

Firm Registration No. 310089E

Place : Kolkata

Dated : 11th May, 2015

The Notes referred to above form an integral part of Balance Sheet

On behalf of the Board

Prashant Jhawar

Chairman

Debjit Bhattacharya

Whole-time Director

R. N. Chakraborty

Company Secretary

Consolidated Statement of Profit & Loss for the Year Ended 31st March, 2015

| Particulars | Note no. | For the Year Ended 31st March, 2015 (Amount in ₹) | For the Year Ended 31st March, 2014 (Amount in ₹) |
|---------------------------------------|----------|--|--|
| I Revenue | | | |
| Revenue from Operations | 16 | 34,326,851 | 61,945,425 |
| Other Income | 17 | 2,409,322 | 4,302,766 |
| II Total Revenue | | 36,736,173 | 66,248,191 |
| III Expenses | | | |
| Employee Benefit Expense | 18 | 16,862,026 | 21,591,487 |
| Finance Costs | 19 | 2,125,674 | 1,342,417 |
| Depreciation and Amortization Expense | | 2,928,809 | 2,935,972 |
| Operating and Administrative Expenses | 20 | 29,416,719 | 42,230,631 |
| IV Total Expenses | | 51,333,228 | 68,100,507 |
| V Profit before Tax | | (14,597,055) | (1,852,316) |
| VI Tax Expense: Current Tax | | 44,500 | 503,148 |
| VII Profit / (Loss) after tax | | (14,641,555) | (2,355,464) |
| Earnings per Equity Share: | | | |
| (1) Basic | | (0.55) | (0.09) |
| (2) Diluted | | (0.55) | (0.09) |

Significant Accounting Policies and Notes on Accounts 21

This is the Consolidated Statement of Profit & Loss referred to in our report of even date

The Notes referred to above form an integral part of Consolidated Statement of Profit & Loss

(S.S. Gupta)

Proprietor

Membership No. 17897

For and on behalf of

S.SWARUP & CO.

Chartered Accountants

Firm Registration No. 310089E

Place : Kolkata

Dated : 11th May, 2015

On behalf of the Board

Prashant Jhavar

Chairman

Debjit Bhattacharya

Whole-time Director

R. N. Chakraborty

Company Secretary

Notes forming part of Consolidated Balance Sheet

| | As at 31st March, 2015 (Amount in ₹) | As at 31st March, 2014 (Amount in ₹) |
|--|--|--|
| Note : 1 - SHARE CAPITAL | | |
| a) Authorised | | |
| 200,000,000 Equity Shares of ₹ 1/- each (Previous year 200,000,000 Equity Shares of ₹ 1/- each) | 200,000,000 | 200,000,000 |
| 1,000,000 10.75% Cumulative Redeemable Preference Shares of ₹ 50/- each | <u>50,000,000</u> | <u>50,000,000</u> |
| | <u>250,000,000</u> | <u>250,000,000</u> |
| b) Issued, Subscribed and Paid-up | | |
| 26,415,811 Equity Shares of ₹ 1/- (Previous year 26,415,811 Equity Shares of ₹ 1/- each) | 26,415,811 | 26,415,811 |
| | <u>26,415,811</u> | <u>26,415,811</u> |

Note :

Paid up capital includes 26,414,411 Equity Shares issued as fully paid-up in terms of the Scheme of Demerger approved by the Hon'ble Calcutta High Court.

- c) There has been no Movement in number of shares outstanding at the beginning and at the end of reporting period.
- d) The Company has only one class of issued shares i.e. ordinary equity shares having par value of ₹. 1 per share. Each holder of ordinary shares is entitled to one vote per share and equal right for dividend. No preference and/or restrictions on distribution of dividend and repayment of capital is attached to the above shares.
- e) Usha Martin Education Private Limited is the only subsidiary of the Company and it is not holding any shares in the Company
- f) Shares in the Company held by each shareholder holding more than 5% as on balance sheet date

| Name of the shareholders | No. of Equity Shares as on 31.03.2015 | % of Equity Shares as on 31.03.2015 | No. of Equity Shares as on 31.03.2014 | % of Equity Shares as on 31.03.2014 |
|---|---------------------------------------|-------------------------------------|---------------------------------------|-------------------------------------|
| UMIL Share & Stock Broking Services Ltd | 3,075,127 | 11.64 | 3,075,127 | 11.64 |
| Peterhouse Investment India Limited | 2,968,718 | 11.24 | 2,968,718 | 11.24 |
| Peterhouse Investment Limited | 2,388,291 | 9.04 | 2,388,291 | 9.04 |
| Prajeev Investments Limited | 2,057,610 | 7.79 | 2,057,610 | 7.79 |
| Deutsche Bank Trust Company Americas | 1,799,455 | 6.81 | 1,799,455 | 6.81 |

- g) There are no shares reserved for issue under option and contracts / commitments for sale of shares / disinvestment as at the Balance Sheet date.
- h) i) No shares have been allotted or has been bought back by the Company during the period of five years preceding the date as at which the Balance Sheet is prepared.
- ii) No convertible securities has been issued by the Company during the year.
- iii) No calls are unpaid by any Director and Officer of the Company during the year.

Notes forming part of Consolidated Balance Sheet

| | As at 31st March, 2015 (Amount in ₹) | As at 31st March, 2014 (Amount in ₹) |
|---|--|--|
| Note : 2 - RESERVE AND SURPLUS | | |
| Securities Premium Account | | |
| As per last Account | 120,249 | 120,249 |
| | <u>120,249</u> | <u>120,249</u> |
| General Reserve Account (see note below) | | |
| As per last Balance Sheet | 186,685,016 | 189,040,480 |
| Add: Transfer from Statement of Profit & Loss | (14,641,555) | (2,355,464) |
| | <u>172,043,461</u> | <u>186,685,016</u> |
| | <u>172,163,710</u> | <u>186,805,265</u> |
| <p>Note: General Reserves are free reserve or undistributed profits and created out of appropriation of profits. The reserve is created based on the financial policy of the Company and discretion of the management. The reserve can be utilized for any general purpose of the business which may include, meeting future liability or loss, strengthening the financial position of the business/expansion of business etc.</p> | | |
| Note : 3 - Long Term Provisions | | |
| Provision for Employee benefit | | |
| - Gratuity (Funded) | 811,942 | 551,486 |
| - Leave Encashment (Un-funded) | 344,206 | 258,419 |
| | <u>1,156,148</u> | <u>809,905</u> |
| Note : 4 - Short Term Borrowings | | |
| Secured : IDBI Overdraft Account | 4,289,254 | 3,750,122 |
| (Secured against hypothecation of current and movable fixed assets, both present and future and ranking pari passu with the existing lenders for their loans. Also collaterally secured by Escrow account and lien on Fixed Deposit together with future interest) | | |
| Unsecured : Loans from corporate bodies | 10,000,000 | 6,500,000 |
| | <u>14,289,254</u> | <u>10,250,122</u> |
| Note : 5 - Trade Payables | | |
| For Supplies / Services | 5,500,396 | 2,493,835 |
| Accrued Expenses | 3,996,169 | 5,841,999 |
| | <u>9,496,565</u> | <u>8,335,834</u> |
| Note : 6 - Other Current Liabilities | | |
| Advance Received from Customers | 46,395 | 252,395 |
| Other Payables | | |
| Statutory Dues | 1,589,513 | 7,158,184 |
| Interest on Unsecured Loan | — | 204,854 |
| Capital Goods | 32,136 | 144,296 |
| Employees related liability | 1,770,799 | 2,130,014 |
| | <u>3,438,843</u> | <u>9,889,743</u> |
| Note : 7 - Short Term Provisions | | |
| Provisions for Taxation | 6,705,965 | 7,766,560 |
| Provision for Employee benefit | | |
| - Gratuity (Funded) | 66,945 | 53,256 |
| - Leave Encashment (Un-funded) | 11,768 | 10,783 |
| | <u>6,784,678</u> | <u>7,830,599</u> |

Notes forming part of Consolidated Balance Sheet

Note : 8 - Fixed Assets [Refer Point 2 (b) of Note 21]

(Amount in ₹)

| Description | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | | | |
|-----------------------------|--------------------------------|---------------|-------------------------------------|--------------------------------|------------------------|-----------------------------------|-------------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | Balance as at 31st March, 2014 | Additions | Sales / Adjustments during the year | Balance as at 31st March, 2015 | As at 31st March, 2014 | Depreciation Charges for the Year | Sales / Adjustments during the year | Balance as at 31st March, 2015 | Balance as at 31st March, 2015 | Balance as at 31st March, 2014 |
| A. Tangible Assets | | | | | | | | | | |
| Building | 13,472,826 | - | - | 13,472,826 | 656,642 | 212,870 | - | 869,512 | 12,603,314 | 12,816,184 |
| Plant and Equipment | 11,845,062 | - | - | 11,845,062 | 10,670,340 | 302,087 | 16,536 | 10,955,891 | 889,171 | 1,174,722 |
| Office Equipment | 4,795,146 | 13,300 | 7,280 | 4,801,166 | 1,314,482 | 1,003,657 | 7,106 | 2,311,033 | 2,490,133 | 3,480,664 |
| Furniture & Fixtures | 11,469,851 | - | 231,765 | 11,238,086 | 4,035,298 | 1,179,200 | 66,866 | 5,147,632 | 6,090,454 | 7,434,553 |
| Vehicles | 1,961,064 | - | - | 1,961,064 | 905,374 | 208,372 | - | 1,113,746 | 847,318 | 1,055,690 |
| | 43,543,949 | 13,300 | 239,045 | 43,318,204 | 17,582,136 | 2,906,186 | 90,508 | 20,397,814 | 22,920,390 | 25,961,813 |
| B. Intangible Assets | | | | | | | | | | |
| Software | 3,582,207 | 14,000 | 60,000 | 3,536,207 | 3,548,234 | 22,623 | 59,335 | 3,511,522 | 24,685 | 33,973 |
| | 3,582,207 | 14,000 | 60,000 | 3,536,207 | 3,548,234 | 22,623 | 59,335 | 3,511,522 | 24,685 | 33,973 |
| | | | | | | | | | | |
| | 47,126,156 | 27,300 | 299,045 | 46,854,411 | 21,130,370 | 2,928,809 | 149,843 | 23,909,336 | 22,945,075 | 25,995,786 |
| Previous Year | 66,618,905 | 354,796 | 19,847,545 | 47,126,156 | 28,961,590 | 2,935,972 | 10,767,192 | 21,130,371 | 25,995,786 | |

Notes forming part of Consolidated Balance Sheet

Note : 9- Non Current Investments

| Name of the Body Corporate | Subsidiary /Associate /JV/ Controlled Entity /Others | No. of Shares | | Quoted/ Unquoted | Partly Paid/ Fully Paid | Extent of Holding | | Whether Stated at Cost | As at | As at |
|---|--|---------------|-----------|------------------|-------------------------|-------------------|-------|------------------------|-----------------------------------|-----------------------------------|
| | | 2015 | 2014 | | | 2015 | 2014 | | 31st March, 2015 (Amount in ₹) | 31st March, 2014 (Amount in ₹) |
| i) Usha Communications Technology Limited, British Virgin Islands | Others | 9,396,097 | 9,396,097 | Unquoted | Fully Paid up | 15.47 | 15.47 | Cost | 55,000,000 | 55,000,000 |
| ii) Redtech Network India Private Limited | Associate | 528,974 | 528,974 | Unquoted | Fully Paid up | 6.62 | 6.62 | Cost | 100,000,000 | 100,000,000 |
| Aggregate Amount of Unquoted Investment | | | | | | | | | 155,000,000 | 155,000,000 |

As at
31st March, 2015
(Amount in ₹)

As at
31st March, 2014
(Amount in ₹)

Note : 10 - Long Term Loans and Advances

Security Deposits (Unsecured considered good unless otherwise stated)

| | | |
|---|------------------|------------------|
| Considered Good | 2,060,535 | 1,620,535 |
| MAT Credit Entilement | 158,081 | 202,581 |
| Other Loans and Advances (Recoverable in cash or in kind or for value to be received) | | |
| Prepaid expenses | 314,333 | 1,286,250 |
| | <u>2,532,949</u> | <u>3,109,366</u> |

Note : 11 - Other Non-Current Assets

| | | |
|--|-------------------|-------------------|
| Fixed Deposit with Bank | 9,281,521 | 8,631,250 |
| (Includes ₹. 7,04,233/- with IDBI Bank Ltd. for availing Working Capital Facility) | | |
| (Previous year ₹. 6,49,720) | | |
| Gratuity (Funded with LIC of India) | 1,488,290 | 1,494,647 |
| | <u>10,769,811</u> | <u>10,125,897</u> |

Note : 12 - Trade Receivables

(Unsecured considered good unless otherwise stated)

Outstanding for a period exceeding six months

| | | |
|------------------------------------|-------------------|-------------------|
| Considered Good | 4,212,307 | 1,557,355 |
| Considered Doubtful | — | — |
| | <u>4,212,307</u> | <u>1,557,355</u> |
| Provision for doubtful receivables | — | — |
| | <u>4,212,307</u> | <u>1,557,355</u> |
| Other Receivables | | |
| Considered Good | 17,725,650 | 33,720,551 |
| Considered Doubtful | — | — |
| | <u>17,725,650</u> | <u>33,720,551</u> |
| | <u>21,937,957</u> | <u>35,277,906</u> |

Notes forming part of Consolidated Balance Sheet

| | As at 31st March, 2015 (Amount in ₹) | As at 31st March, 2014 (Amount in ₹) |
|---|--|--|
| Note : 13 - Cash and Cash Equivalents | | |
| Cash on Hand | 32,942 | 83,768 |
| Balances with Banks | 1,047,285 | 1,987,304 |
| Fixed Deposit with Bank (with IDBI Bank Ltd. for availing Working Capital Facility) | 704,233 | 649,720 |
| Less: Non Current portion transferred to Other Non-Current Assets (Ref. Note No. 11) | 704,233 | 649,720 |
| | <u>1,080,227</u> | <u>2,071,072</u> |
| Note : 14 - Short Term Loans and Advances | | |
| Other Loans and Advances (Recoverable in Cash or in kind or for value to be received) | | |
| Advance Payment of Taxes | 18,009,949 | 16,439,412 |
| Advance against supplies of Goods and Services | 276,578 | 499,028 |
| Prepaid Expenses | 1,064,541 | 1,401,953 |
| Advance /Loans to Employees | 127,922 | 83,922 |
| | <u>19,478,990</u> | <u>18,424,315</u> |
| Note : 15- Other Current Assets | | |
| Pre-Operative Expenses | - | 332,937 |
| | <u>-</u> | <u>332,937</u> |

Notes forming part of Consolidated Statement of Profit and Loss

| | For the Year Ended 31st March, 2015 (Amount in ₹) | For the Year Ended 31st March, 2014 (Amount in ₹) |
|---|---|---|
| Note : 16 - Revenue from Operations | | |
| Income from Learning Business (Tax deducted at Source ₹. 1,241,594/- , Previous Year ₹. 2,650,618/-) | 34,326,851 | 61,945,425 |
| | <u>34,326,851</u> | <u>61,945,425</u> |
| Note : 17 - Other Income | | |
| Interest Income on | | |
| Bank (Tax deducted at Source ₹. 77,076/- , Previous Year. ₹. 60,689/-) | 770,797 | 606,890 |
| Others (Tax deducted at Source ₹. Nil, Previous Year ₹. Nil) | - | 89,683 |
| Profit on Sale of Business | - | 3,101,976 |
| Liabilities no longer required written back | 9,649 | 355,239 |
| Income on Planned Assets (Gratuity) | 128,963 | 148,978 |
| Service Charges (Tax deducted at Source ₹. 114,468/- , Previous Year. Nil) | 1,499,913 | - |
| | <u>2,409,322</u> | <u>4,302,766</u> |
| Note : 18 - Employee Benefit expenses | | |
| Salaries and Bonus | 15,241,215 | 20,190,785 |
| Contribution to Provident Fund and other Funds | 1,446,191 | 1,189,090 |
| Staff Welfare Expenses | 174,620 | 211,612 |
| | <u>16,862,026</u> | <u>21,591,487</u> |
| Note : 19 - Finance Costs | | |
| (No Borrowing Cost has been Capitalized during the year) | | |
| Interest on Working Capital Loan from Bank | 572,091 | 336,369 |
| Other Borrowing Cost | 1,541,083 | 984,769 |
| Others | 12,500 | 21,279 |
| | <u>2,125,674</u> | <u>1,342,417</u> |

Notes forming part of Consolidated Statement of Profit and Loss

| Note : 20 - Operating and Administrative Expenses | For the Year Ended 31st March, 2015 (Amount in ₹) | For the Year Ended 31st March, 2014 (Amount in ₹) |
|---|---|---|
| Travelling and Conveyance | 1,692,675 | 1,341,817 |
| Communication | 1,116,832 | 1,143,972 |
| Power | 952,805 | 2,048,046 |
| Maintenance expenses | 1,636,323 | 3,307,932 |
| Rent (Including Lease Rent) | 2,970,900 | 5,986,326 |
| Insurance | 162,308 | 370,763 |
| Computer Consumables | 84,287 | 398,513 |
| Professional and Consultancy charges | 10,771,952 | 13,669,624 |
| Legal & Secretarial | 812,179 | 643,861 |
| Marketing and Advertisement | 606,195 | 1,734,154 |
| Business Development | 8,726 | 8,894 |
| Printing and Stationery | 1,639,398 | 1,275,921 |
| Facility Management Services | - | 532,746 |
| Brokerage and Commission | 5,000 | 90,000 |
| Hire charges | 1,503,337 | 2,644,424 |
| Registration and Courseware | 2,175,923 | 1,799,243 |
| Directors Meeting Fees | 72,000 | 72,000 |
| Pre-Operative Expenses written Off | 332,937 | 332,936 |
| Auditors' Remuneration | | |
| For Statutory Audit | 110,000 | 110,000 |
| For Tax Audit | 25,000 | 35,000 |
| | <u>135,000</u> | <u>145,000</u> |
| Rates and Taxes | 13,650 | 623,420 |
| Loss on Discard of Fixed Assets | 99,202 | 2,175,639 |
| Bank Charges | 73,664 | 108,183 |
| Foreign Exchange Fluctuation Loss (Net) | 148,882 | 457 |
| Bad Debts/Sundry Balances written off (Net) | 1,218,989 | 389,553 |
| Miscellaneous Expenses | 1,183,555 | 1,387,207 |
| | <u>29,416,719</u> | <u>42,230,631</u> |

Note 21 : Significant Accounting policies and Notes on Accounts for the year ended 31st March, 2015

1 SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

- a) The consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS-21) - 'Consolidated Financial Statements'. These financial statements comprise Usha Martin Education & Solutions Limited and its wholly owned subsidiary Usha Martin Education Private Limited. The financial statements of each of these companies are prepared using uniform accounting policies in accordance with the generally accepted accounting principles in India.
 - b) The Company has one subsidiary Company named Usha Martin Education Private Limited which has been considered in the preparation of these consolidated financial statements.
- 2 The financial statements of the Company are prepared on accrual basis and under historical cost convention. The significant accounting policies adopted by the Company are detailed below:

a) Consolidation

Consolidated Financial Statements relate to Usha Martin Education & Solutions Limited, Parent Company and its subsidiary. The Consolidated Financial Statements are in conformity with the Accounting Standard (AS)-21 on Consolidated Financial Statements, prescribed under the Companies Act, 2013 (the 'Act') and are prepared as set out below:

The financial statements of the Parent Company and its subsidiary have been combined on a line by line basis by adding together book values of like items of assets, liabilities, income and expenses after adjustments/elimination of inter-company balances and transactions.

The paid up share capital of the subsidiary company comprises of ₹ 5,500,010/- divided into 550,001 equity shares of ₹ 10/- each out of which 550,000 shares are held by the parent company and one shares is held by each nominee beneficial interest of which vests in the parent company.

Note 21 : Significant Accounting policies and Notes on Accounts for the year ended 31st March, 2015

The consolidated financial statements relate to Usha Martin Education & Solutions Limited, Parent Company and its subsidiary, Usha Martin Education Private Limited, which is incorporated in India, and in which the company owns 100% of Equity Shares.

The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances in all material respect and are presented to the extent possible, in the same manner as the Parent Company's separate financial statements.

As the operation of the subsidiary company started from 1st April 2010, all the expenditure prior to 1st April 2010 has been shown under Pre-operative expenses which have been written off over a period of five years.

b) Fixed Assets and Depreciation

Fixed assets comprising both tangible and intangible items are stated at cost less depreciation. The Company capitalizes all costs relating to acquisition of fixed assets. Cost of Software expected to be used on long-term basis is capitalized.

Depreciation (including amortization) on fixed assets has been provided on the basis of the useful life of assets as provided in schedule II to the Companies Act, 2013 (the "Act")

Depreciation on additions and deletions to fixed assets is provided on a pro-rata basis.

c) Investments

Long-term investments are valued at their acquisition cost. Any decline in the value of the said investment, other than a temporary decline, is recognized and charged to the Statement of Profit and Loss.

Current Investments are stated at lower of cost or fair value.

d) Revenue Recognition

Revenue from training is recognized over the period of the course program.

Revenue from operations is accounted for net of Service Tax.

e) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

f) Current and Non-Current assets and liabilities

An asset or liability is classified as current when it satisfies any of the following criteria

- (i) It is expected to be realized / settled, or is intended for sale or consumption, in the Company's normal operating cycle:
- (ii) It is held primarily for the purpose of being traded:
- (iii) It is expected to be realized / due to be settled within twelve months after the reporting date: or
- (iv) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date or
- (v) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

g) Foreign Currency Transactions

Transactions in foreign currency are accounted for at the rates prevailing on the date of the transaction. Monetary assets and liabilities in foreign currencies at the year-end are restated at the exchange rates prevailing on that date. Gain/loss arising out of exchange fluctuation on settlement or such restatement are accounted for in the Statement of Profit and Loss account, except to the extent these relate to acquisition of fixed assets, in which case these are adjusted to the carrying value of the related fixed assets.

h) Leases

Operating Leases- Rentals are expensed with reference to lease terms and other considerations.

i) Employee Benefits

- (i) Contribution to employee provident fund is charged to revenue on a monthly basis
- (ii) Liability for retiral, gratuity and un-availed earned leave is provided for based on an independent actuarial valuation report as per the requirements of Accounting Standard - 15 (revised) on "Employee Benefits".

Note 21 : Significant Accounting policies and Notes on Accounts for the year ended 31st March, 2015

(iii) Employee benefits of short-term nature are recognized as expense as and when it accrues. Long term Employee benefits (e.g. long-service leave) and post employments benefits (e.g. gratuity), both funded and unfunded, are recognized as expense based on actuarial valuation.

j) Taxation

Current Tax in respect of taxable income of the year is provided for based on applicable tax rates and laws.

Deferred tax is recognized subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and is measured using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets / liabilities are reviewed at each Balance Sheet date.

k) Borrowing Cost

Borrowing cost attributable to the acquisition and contribution of qualifying assets are added to the cost up to date when such assets are ready for their intended use. Other borrowing costs are recognized as expense in the period in which these are incurred.

l) Contingencies

Contingencies, which can be reasonably ascertained, are provided for if, in the opinion of the Company, there is a probability that the future outcome may be materially adverse to the Company.

m) Prior Period and Extra Ordinary Items and Changes in Accounting Policies

Prior Period and Extra Ordinary Items and Changes in Accounting Policies having material impact on the financial affairs of the Company are disclosed.

n) Miscellaneous Expenditure

Pre-operating expenses have been written off over a period of five years. Accordingly, one-fifth of the Pre-operating expenses as on 31.03.2010 have been charged as expenses during the year.

3) During the year, the Company has utilized its working capital facility (Overdraft) of ₹50 Laks from IDBI Bank Ltd., secured by the first charge by way of hypothecation of all the current assets, both present and future, of the Company. The above loan is also collaterally secured by first charge by way of hypothecation of movable fixed assets of the Company

4) Foreign Currency Earnings & Outgo:

a) Expenditure in foreign currency:

| | 2014-15 (₹) | 2013-14 (₹) |
|--------------|-------------|-------------|
| Listing Fees | 174,975 | 213,650 |

b) Earnings in foreign currency:

| | 2014-15 (₹) | 2013-14 (₹) |
|--|-------------|-------------|
| Management Training, Educational Consultancy, Market Research and Delivery of modules for H & D Business Studies and Computing Status. | 9,480,486 | — |

5) Related Party Disclosures Pursuant to Accounting Standard 18 issued by The Institute of Chartered Accountants of India.

(i) Related Parties

| <u>Name</u> | <u>Relationship</u> |
|--|---|
| Usha Breco Realty Limited. | Substantial interest in voting power of the entity. |
| Usha Martin Limited. | - do - |
| Usha Martin Education Private Limited. | - do - |
| Usha Breco Limited | - do - |
| Usha Breco Edutional Infrastructure Limited | - do - |
| Redtech Network India Private Limited. | - do - |
| Rahul Chaudhary | Key Managerial Personnel |
| Debjit Bhattacharya (Whole-time Director) | Key Managerial Personnel |
| Vinay Kumar Gupta (Chief Financial officer) | Key Managerial Personnel |
| Ranendranath Chakraborty (Company Secretary) | Key Managerial Personnel |

Note 21 : Significant Accounting policies and Notes on Accounts for the year ended 31st March, 2015

ii) Particulars of Transactions during the year ended 31st March, 2015

| Particulars | Subsidiaries and Associates (₹) | Key Managerial Personnel (₹) |
|---|---|------------------------------|
| Rent Paid (including lease Rent) | 1,569,000 | — |
| | 1,569,000 | — |
| Key Managerial's Personnel's Remuneration | — | 2,059,555 |
| | — | 1,647,156 |
| Income from Training | — | — |
| | 5,500,000 | — |
| Service Charges | 444,042 | — |
| | — | — |
| Balances outstanding at the year end | | |
| Usha Martin Limited | 267,672 | |
| Investment in Equity and Preference Shares | Refer Note No. 9 to Accounts -do- | |

Current year's remuneration to Key managerial Personnel's include remuneration of Chief Financial officer and Company Secretary apart from Whole-Time Director.

Figures in normal font relate to previous year

6) Computation of Earning Per Equity Share (Basic and Diluted)

| | For the year ended 31st March, 2015 | For the year ended 31st March, 2014 |
|--|--|--|
| (I) Basic | | |
| (a) (i) Number of Equity Shares at the beginning of the year | 26,415,811 | 26,415,811 |
| (ii) Number of Equity Shares at the end of the year | 26,415,811 | 26,415,811 |
| (iii) Weighted average number of Equity Shares outstanding during the year | 26,415,811 | 26,415,811 |
| (iv) Face Value of each Equity Share-₹. | 1 | 1 |
| (b) Profit/(Loss) after tax attributable to Equity Shareholders-₹. | | |
| Net Profit/(Loss) after Taxation | <u>(14,641,555)</u> | <u>(2,355,464)</u> |
| Basic Earning per Share [(b)/(a)(iii)]-₹. | (0.55) | (0.09) |
| (II) Diluted | | |
| (a) Diluted Potential Equity Shares | — | — |
| (b) Diluted Earning per Share [I(b)/I(a)(iii)]-₹. | (0.55) | (0.09) |

7) Minimum Managerial Remuneration paid/payable

| | 2014-15 (₹) | 2013-14 (₹) |
|--|------------------|------------------|
| (a) Key Managerial Personnel's Remuneration: | | |
| Salary | 700,444 | 546,756 |
| Contribution to Provident Fund | 84,054 | 65,611 |
| Contribution to Gratuity and Superannuation | 33,641 | 26,249 |
| Other Benefits (actual and/or estimated) | <u>1,241,416</u> | <u>1,008,540</u> |
| (b) Other Directors | | |
| Directors' Sitting Fees | <u>72,000</u> | <u>78,000</u> |
| | <u>2,131,555</u> | <u>1,719,156</u> |

Current year's remuneration to Key managerial Personnel's include remuneration of Chief Financial officer and Company Secretary apart from Whole-Time Director.

Note 21 : Significant Accounting policies and Notes on Accounts for the year ended 31st March, 2015

- 8) The Company has unabsorbed depreciation and carried forward losses available for set off under the Income-tax Act, 1961. However, in view of inability to assess future taxable income, the extent of net deferred tax assets which may be adjusted in the subsequent years, is not ascertainable with virtual certainty at this stage and accordingly the same has not been recognized in the accounts on prudent basis.
- 9) The Company has no amounts due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) as at 31.03.2015. The disclosure as required under the said Act as under:

| | |
|--|-----|
| a) Principal amount due to suppliers under MSMED Act | Nil |
| b) Interest due to suppliers as above | Nil |
| c) Any payment made to suppliers beyond appointed date (under Section 16 of the Act) | Nil |
| d) Interest due and payable to suppliers under MSMED Act | Nil |
| e) Interest accrued and remaining unpaid as at 31.03.2015 | Nil |
| f) Interest remaining due and payable as per Section 23 of the Act | Nil |

- 10) Defined Benefit Plans / Long Term Compensated Absences - as per Actuarial Valuations as on March 31, 2015 and recognized in the financial statements in respect of Employee Benefit Schemes.

(Amount in ₹)

| I. Components Employer Expenses | Gratuity (Funded) | Leave Encashment (Unfunded) |
|--|----------------------|--------------------------------|
| 1 Current Service Cost | 155,913 | 68,605 |
| | 145,284 | 86,291 |
| 2 Interest Cost | 54,427 | 24,228 |
| | 73,361 | 31,338 |
| 3 Expected Return on Plan Assets | (100,889) | - |
| | (118,323) | - |
| 4 Curtailment Cost / (Credit) | - | - |
| 5 Settlement Cost / (Credit) | - | - |
| 6 Past Service Cost | - | - |
| 7 Actuarial Losses / (Gains) | 371,051 | 44,995 |
| | (326,317) | 168,162 |
| 8 Total expense recognized in the Statement of Profit & Loss | 480,502 | 137,828 |
| | (225,995) | 285,791 |
| | Gratuity (Funded) | Leave Encashment (Unfunded) |
| II Actuarial Returns for the year ended March, 2015 | - | - |
| III Net Asset / (Liability) recognized in Balance Sheet as at March 31, 2015 | | |
| 1 Present Value of Defined Benefit Obligation | 878,887 | 355,974 |
| | 604,742 | 269,202 |
| 2 Fair Value on Plan Assets | 1,488,290 | - |
| | 1,494,647 | - |
| 3 Status [Surplus/(Deficit)] | 609,403 | (355,974) |
| | 889,905 | (269,202) |
| 4 Unrecognised Past Service Cost | - | - |
| | - | - |
| 5 Net Asset/(Liability) recognized in Balance Sheet | 609,403 | (355,974) |
| | 889,905 | (269,202) |

Note 21 : Significant Accounting policies and Notes on Accounts for the year ended 31st March, 2015

(Amount in ₹)

| | Gratuity (Funded) | Leave Encashment (Unfunded) |
|--|----------------------|--------------------------------|
| IV Change in Defined Benefit Obligations (DBO) during the year ended March 31, 2015 | | |
| 1 Present Value of DBO at the Beginning of Period | 604,742 | 269,202 |
| | 815,123 | 348,204 |
| 2 Current Service Cost | 155,913 | 68,605 |
| | 145,284 | 86,291 |
| 3 Interest Cost | 54,427 | 24,228 |
| | 73,361 | 31,338 |
| 4 Curtailment Cost / (Credit) | — | — |
| | — | — |
| 5 Settlement Cost / (Credit) | — | — |
| | — | — |
| 6 Plan Amendments | — | — |
| | — | — |
| 7 Acquisitions | — | — |
| | — | — |
| 8 Actuarial (Gains)/Losses | 399,125 | 44,995 |
| | (347,896) | 168,162 |
| 9 Benefits Paid | (335,320) | (51,056) |
| | (81,130) | (364,793) |
| 10 Present Value of DBO at the End of Period | 878,887 | 355,974 |
| | 604,742 | 269,202 |

| V Change in Fair Value of Assets during the year ended March 31, 2015 | Gratuity (Funded) | Leave Encashment (Unfunded) |
|--|----------------------|--------------------------------|
| 1 Plan Assets at the Beginning of Period | 1,494,647 | — |
| | 1,479,033 | — |
| 2 Acquisition Adjustment | — | — |
| | — | — |
| 3 Expected Return on Plan Assets | 100,889 | — |
| | 118,323 | — |
| 4 Actuarial Gains/(Losses) | 28,074 | — |
| | (21,579) | — |
| 5 Actual Company Contribution | 200,000 | 51,056 |
| | — | 364,973 |
| 6 Benefits Paid | (335,320) | (51,056) |
| | (81,130) | (364,973) |
| 7 Present Value of DBO at the End of Period | 1,488,290 | — |
| | 1,494,647 | — |

Note 21 : Significant Accounting policies and Notes on Accounts for the year ended 31st March, 2015

| VI Actuarial Assumptions | | | |
|---|---------------------------------------|-------|-------|
| | 1. Discount Rate (%) | 7.80% | 7.80% |
| | 2. Expected Return on Plan Assets (%) | 9.00% | — |
| The estimates of future salary increases, considered in actuarial valuations take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. | | | |

Figures in normal font relate to previous year

- 11) Sundry Balances Written off amounting to ₹ 18,89,510/- have been shown net of Sundry Balances Written back amounting to ₹ 6,70,521/- resulting in net Sundry Balances Written off amounting to ₹ 12,18,989/- shown in Statement of Profit & Loss.
- 12) Balances of Sundry Debtors, Sundry Creditors and Loans and Advances (Dr. & Cr.) are subject to confirmation from the respective parties.
- 13) Previous year figures have been regrouped / rearranged wherever necessary.

(S.S. Gupta)

Proprietor

Membership No. 17897

For and on behalf of

S.SWARUP & CO.

Chartered Accountants

Firm Registration No. 310089E

Place : Kolkata

Dated : 11th May, 2015

On behalf of the Board

Prashant Jhavar

Chairman

Debjit Bhattacharya

Whole-time Director

R. N. Chakraborty

Company Secretary

**Consolidated Cash Flow Statement for the Year Ended 31st March, 2015**

| | For the year ended 31st March, 2015 | | For the year ended 31st March, 2014 | |
|--|--|--------------------|--|---------------------|
| | (₹) | (₹) | (₹) | (₹) |
| A. Cash flow from Operating Activities : | | | | |
| Profit after Non- recurring Items and before Taxation | | (14,597,055) | | (1,852,316) |
| Adjustments for : | | | | |
| Depreciation | 2,928,809 | | 2,935,972 | |
| Profit/(Loss) on Sale of Fixed Assets | 99,202 | | 2,175,639 | |
| Profit from sale of Business | - | | (3,101,976) | |
| Interest Income | (899,760) | | (845,551) | |
| Finance costs | 2,125,674 | | 1,342,417 | |
| Provisions/Liabilities no longer required written back | (9,649) | | (355,239) | |
| Provision for Gratuity/Leave Encashment | 407,754 | | 59,796 | |
| Bad Debts/ Sundry balances written off | 1,218,989 | | 389,553 | |
| Pre-Operative Expenses written-off | 332,937 | | 332,936 | |
| Foreign Exchange (Gain)/Loss (net) | 148,882 | 6,352,838 | 457 | 2,934,004 |
| Operating profit before Working Capital changes | | (8,244,217) | | 1,081,688 |
| (Increase)/Decrease of Trade and other receivables | 12,958,391 | | 2,248,105 | |
| Increase/(Decrease) of Current Liabilities and Other Provisions | (5,327,357) | 7,631,034 | (11,400,079) | (9,151,974) |
| Cash generated from operations | | (613,183) | | (8,070,284) |
| Direct taxes (paid)/refund (Net) | | (2,617,822) | | (2,622,234) |
| Net Cash Flow from Operating Activities | | (3,231,005) | | (10,692,518) |
| B. Cash flow from Investing Activities : | | | | |
| Purchase of Fixed Assets | (27,300) | | (354,796) | |
| Proceeds from Sale of Business | - | | 7,500,000 | |
| Increase in Fixed Deposit | (595,758) | | (7,981,530) | |
| Proceeds from Sale of Assets | 50,000 | | 622,135 | |
| Interest received from Bank/Others | 899,760 | | 845,551 | |
| Net cash used in Investing Activities | | 326,702 | | 631,360 |
| C. Cash flow from Financing Activities : | | | | |
| Finance costs | (2,125,674) | | (1,137,563) | |
| Short Term Borrowings | 4,039,132 | | 10,250,122 | |
| Net Cash used in Financing Activities | | 1,913,458 | | 9,112,559 |
| Net increase in cash and cash equivalents during the year (A+B+C) | | (990,845) | | (948,599) |
| Cash and Cash Equivalents at the beginning of the year [Refer Note- 13 to Accounts] | | 2,071,072 | | 3,019,671 |
| Cash and Cash Equivalents at the end of the year [Refer Note- 13 to Accounts] | | 1,080,227 | | 2,071,072 |
| | | (990,845) | | (948,599) |

Notes :

- The above Cash Flow Statement has been prepared under the Indirect method as set out in the Accounting Standard - 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.
 - Notes referred to above form an integral part of the Cash Flow Statement.
 - Previous year's figures have been regrouped / rearranged wherever necessary.
- This is the Cash Flow Statement referred to in our report of even date.

(S.S. Gupta)

Proprietor
Membership No. 17897
For and on behalf of
S.SWARUP & CO.
Chartered Accountants
Firm Registration No. 310089E

Place : Kolkata
Dated : 11th May, 2015

On behalf of the Board

Prashant Jhawar Chairman
Debjit Bhattacharya Whole-time Director
R. N. Chakraborty Company Secretary