

**15th
ANNUAL
REPORT
2012**



USHA MARTIN EDUCATION & SOLUTIONS LIMITED

15th ANNUAL REPORT 2012

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CORPORATE INFORMATION

Chairman

Shri Prashant Jhawar

Vice-Chairman

Shri Rajeev Jhawar

Directors

Sir Stephen Harry Waley Cohen Bt.

Shri Subrata Kumar Mitra

Shri Rameshwar Pal Agrawal

Shri Shiva Kumar Barasia

Shri Trivikram Khaitan

Shri Rahul Choudhary

Shri Debjit Bhattacharya - Whole-time Director

Company Secretary

Dr. R. N. Chakraborty

Bankers

IDBI Bank Ltd.

The Hongkong & Shanghai Banking Corp Ltd

IndusInd Bank Ltd

ICICI Bank Ltd

Axis Bank Ltd.

Auditors

S. Swarup & Co.

21, Hemanta Basu Sarani, 3rd Floor,

Room No. 303, Kolkata - 700 001

Registered Office

'Mangal Kalash'

2A, Shakespeare Sarani, Kolkata – 700 071

Phone : 033-3980 0300, Fax : 033-3980 0400

E-mail : investors@umitl.co.in

Website : www.umesl.co.in

Corporate Office

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

E-mail : contact@umitl.co.in

Registrar and Transfer Agent

MCS Limited

77/2A, Hazra Road, Kolkata – 700 029

Ph. : 033 2454 1892-93, Fax : 033 2454-1961

E-mail : mcskol@rediffmail.com

Website : www.mcsdel.com

NOTICE TO THE MEMBERS

NOTICE is hereby given that the 15th Annual General Meeting of the members of Usha Martin Education & Solutions Limited will be held on Wednesday, 1st day of August, 2012 at 2:30 P.M. at "Sripati Singhania Hall", Rotary Sadan, 94/2, Jawaharlal Nehru Road, Kolkata – 700 020 to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012, Statement of Profit & Loss for the year ended on that date and the Report of the Directors and Auditors thereon.
2. To appoint a director in place of Shri Shiva Kumar Barasia who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director in place of Shri Trivikram Khaitan who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Section 224 and other applicable provisions, if any, of the Companies Act, 1956 and Article 146 of the Articles of Association of the Company, M/s. S. Swarup & Co., Chartered Accountants, be and are hereby re-appointed as the Auditors of the Company to hold office until the conclusion of the next Annual General Meeting and that their remuneration for the said period be determined by the Board of Directors."

Registered Office :
"Mangal Kalash"
2A, Shakespeare Sarani,
Kolkata - 700 071
Dated : 9th May, 2012

By Order of the Board of Directors

Sd/-
Dr. R.N. Chakraborty
Company Secretary



Notes:

1. A member entitled to attend and vote at the Annual General Meeting ("the Meeting") is entitled to appoint a proxy and, in case of a poll, vote instead of himself and such proxy need not be a member of the Company.
2. Proxy form in order to be effective, must be duly stamped, executed and reach the Registered Office of the Company not later than 48 hours before the time of commencement of the Meeting.
3. Corporate Members are requested to send to the Registered Office of the Company a duly certified copy of the Board resolution, pursuant to Section 187 of the Companies Act, 1956, authorizing their representative to attend and vote at the Meeting.
4. Members / proxy holders are requested to bring their attendance slip duly signed so as to avoid inconvenience.
5. The Register of Members and the Share Transfer Book of the Company will remain closed from 21st July, 2012 to 1st August, 2012 (both days inclusive).
6. Members are requested to intimate to the Company their queries, if any, on the Accounts at least 10 days before the meeting to enable the management to keep the required information available at the meeting.
7. Members holding shares in physical form are requested to advise any change in their registered address, transfer of equity shares and allied matters to the Company's Registrar and Transfer Agent, MCS Limited quoting their folio number. Members holding shares in electronic form must send the advice about change in their registered address or bank particulars, transfer of equity shares and allied matters to their respective Depository Participant and not to the Company.
8. In all correspondence with the Company or with its Share Transfer Agent, members are requested to quote their folio number and in case the shares are held in the dematerialised form, they must quote their Client ID Number and their DPID Number.
9. As per Circular no. 17/2011 dated 21st April, 2011 issued by Ministry of Corporate Affairs, Members are requested to register their email address either with the Registrar and Transfer Agents of the Company, i.e., MCS Ltd or with their Depositories for electronic communication.
10. Equity shares of the Company are under compulsory Demat trading by all investors. Those members, who have not dematerialized their shares, are advised to dematerialize their shareholding, to avoid inconvenience in future.
11. Members who are holding equity shares in identical order of names in more than one folio are requested to write to the Company's Registrar and Transfer Agent, MCS Limited to enable the Company to consolidate their shareholding in one folio.
12. All documents referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office of the Company from 10 AM to 12 Noon on all working days until the date of Meeting or any adjournment(s) thereof.
13. Members are requested to bring their copy of Annual Report to the Meeting.

14. Appointment/Re-appointment of Directors:

Shri Shiva Kumar Barasia, Director of the Company, retires by rotation at the ensuing Annual General Meeting of the Company and, being eligible, offers himself for re-appointment.

Shri Trivikram Khaitan, Director of the Company, retires by rotation at the ensuing Annual General Meeting of the Company and, being eligible, offers himself for re-appointment.

The information/details to be provided under Clause 49 of the Equity Listing Agreement on Corporate Governance for the appointment/re-appointment of Directors for the aforesaid directors are as under:

Name of Director	Shri Shiva Kumar Barasia	Shri Trivikram Khaitan
Date of Birth	13/05/1938	20/12/1964
Date of Appointment	04/10/2002	27/10/2003
Qualification	B.Com, FICWAI	LL.B.
Expertise in specific functional areas	Administration, Finance & General Management	Legal matters
List of outside Directorship held excluding Alternate Directorship and Private companies	Usha Breco Limited Peterhouse Investments India Limited Prashant Investments Limited Usha Martin Ventures Limited	N.A.
Chairman/Member of the Committee of the Board of Directors of the Company	Audit Committee (Member) Remuneration Committee (Member)	Audit Committee (Member) Remuneration Committee (Member)
Chairman/Member of the Committee of the Board of Directors of other Companies		
a. Audit Committee	Nil	Nil
b. Share Transfer Committee	Nil	Nil
c. Investor Grievance Committee	Nil	Nil

**DIRECTORS' REPORT TO THE MEMBERS**

Your Directors have pleasure in presenting the 15th Annual Report, together with the Audited Statement of Accounts of the Company for the financial year ended 31st March, 2012.

Financial Results:

(₹ in Lakh)

Particulars	Standalone		Consolidated	
	Year ended 31.3.2012	Year ended 31.3.2011	Year ended 31.3.2012	Year ended 31.3.2011
Gross Income	1290.85	1281.48	1601.50	1491.49
Gross Profit/(loss) before Finance Cost and Depreciation	150.66	275.90	168.65	282.80
Less: Finance Cost	4.99	6.65	12.45	6.65
Less: Depreciation	95.61	73.08	101.47	76.94
Profit/(loss) for the year	50.06	196.17	54.73	199.21
Less Provision for Tax (Net)	9.55	39.10	10.35	39.71
Profit/(loss) After Tax	40.51	157.07	44.38	159.50
Profit/ (loss) brought from Previous Year	—	—	—	—
Amount Available for Appropriation	40.51	157.07	44.38	159.50
Dividend	—	—	—	—
Transfer (to)/from Reserves and Surplus	(40.51)	(157.07)	(44.38)	(159.50)

Business Review

During the Financial Year ended 31st March 2012, your Company recorded standalone revenue of ₹ 1290.85 Lakhs, which on a year-on-year comparison increased marginally by 0.73%. Consolidated revenue for the current financial year was ₹ 1601.50 Lakhs, which is a marginal 7.4% increase over last financial year. Standalone Profit after Tax stood at ₹ 40.51 Lakhs, which is a drop of approximately 74% (Y-o-Y), whereas Consolidated PAT stood at ₹ 44.38 Lakhs, which is 72% decline on Y-o-Y basis. Student registrations across various offerings have increased by approximately 21% over last year with undergraduate registrations accounting for major portion of growth where margin is lower, resulting in decline of net profit.

Dividend

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

Subsidiary

The Company has a wholly-owned Indian subsidiary under the name and style of Usha Martin Education Private Limited. The said subsidiary is instrumental in catering to Education Segment. The company has obtained exemption from annexing accounts and other documents pertaining to subsidiary, under Section 212(8), vide approval from Ministry of Corporate Affairs, Government of India, vide their letter no. 47/07/2011-CL-III dated 20th January 2011.

The financial statements of the subsidiary company 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 Section 211 (3C) of the Companies Act, 1956 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.

Group

Pursuant to an intimation from the Promoters, the names of the Promoters and entities comprising 'group' as defined under the Monopolies and Restrictive Trade Practices ('MRTP') Act, 1969 are furnished in the Annual Report for the purpose of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

Public Deposit

The Company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956 and the rules made there under.

Directors

Shri Shiva Kumar Barasia and Shri Trivikram Khaitan retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Corporate Governance

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

Management Discussion and Analysis

The management discussion and analysis on the operations and financial position of the Company is provided in a separate section forming part of the annual report.

CEO / CFO Certification

The Whole-time Director of the Company has submitted a certificate to the Board as required under Clause 49 of the Listing Agreement for the year ended 31st March 2012.

Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, the Directors confirm:

- (i) That in preparation of the accounts for the financial year ended 31st March 2012, 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, 1956 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 2012 on a 'going concern' basis.

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 224 (1B) of the Companies Act, 1956 and the Board recommend their appointment.



Human Resources

The Company recognizes the importance and contribution of people in delivering existing business and identifying new business opportunities and is committed to the welfare of its staff by providing a congenial work environment.

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

The particulars required to be furnished under provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, are not given as none of the employees of your Company draws a salary of or above ₹ 60 Lakhs per annum or ₹ 5 Lakhs per month.

Energy, Technology and Foreign Exchange Earning and Outgo

The particulars required to be furnished under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988:

- (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	₹ 14.23 Lakhs
Outgo	₹ 5.88 Lakhs

Compliance Certificate

A Certificate from the 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.

On behalf of the Board of Directors

Prashant Jhavar Chairman

Debjit Bhattacharya Whole-time Director

Place : Kolkata
Dated : May 9, 2012

MANAGEMENT DISCUSSION AND ANALYSIS

The year under review was a year of consolidation for your Company. The year was marked with a sharp slowdown in economic growth. This has impacted the recruitment of management graduates and demand for management graduates from non-premier business schools fell substantially. The non-premier management schools across the country have experienced sharp fall in intake. Your Company has also experienced a slowdown in the student intake for its post graduate management programs which is in line with the Industry. The slowdown in disbursement of student loans by the public sector and private sector banks has also affected the overall intake of management students in your company's management courses. However, admissions for undergraduate courses recorded a 16% growth. But margin of these courses are lower than post graduate management courses resulting in decline in net profit during the year. Your company continues to provide school education services in K-12 segment through its subsidiary.

On a Y-o-Y basis, Revenues increased marginally by 0.73% whereas Profit after-tax fell by 74%. Several key ratios are mentioned below:

Particulars	Year ended 31.3.2012	Year ended 31.3.2011
Profitability Ratio:	(%)	(%)
EBITDA/ Net Sales	12	21
PBT/ Sales	4	15
PAT/ Sales	3	12

*Based on Standalone figures.

Industry Overview :

[Sources: Ministry of Human Resource Development report dated August, 2011: www.education.nic.in; Company internal research; Industry research reports]

Union Budget 2012-13 provide a 21.7% increase in allocation for Sarva Shiksha Abhiyan, taking the total allocation to ₹ 25,55,500 lakhs and an increase of 29 percent for the Rashtriya Madhyamik Shiksha Abhiyan, taking the total allocation to ₹ 3,12,400 lakhs shows the commitment of Indian Government towards education . Moreover, proposals to set up a Credit Guarantee Fund to ensure better flow of funds to students and allocation of ₹ 1,00,000 lakhs for National Skills Development Fund are welcome steps towards improving the standard of education and work force of the country.

With approximately 10 lakh schools 33,023 colleges and 611 universities (289 state universities, 94 private universities, 43 central universities, 130 deemed universities, 50 Institutions of National Importance and 5 institutions established under various state acts), having 146.25 lakhs students enrolled for higher education, core education segment is estimated to be worth \$34,00,00 lakh. The number of students enrolled in open and distance education was 55.18 lakhs. K-12 is one of the largest growing segment at a CAGR of 14%, serving a population of approximately 343 million children in the age group of 5 to 19 years along with vocational education segment at a CAGR of 25%.

Public schools which constitute 93% of the approximately 10 lakh schools in India, serve on 60% of the student base. Private players constituting 7% of the schools serve 40% of the remaining students. This presents a vast opportunity for private players in the education market which is being catered by your company.

Company Outlook & Strategy

The company will continue to focus on its current operations and will strive on becoming a quality service provider to the education sector. The Company has provided guidance and inputs to Usha Martin University Foundation Trust for preparation of DPR and making an application for a University in Jharkhand. Company's strategy for growth of training centers using infrastructure partner model has been successful and the Company wishes to focus on increasing profitability at all its partner and owned centers. There is a huge demand for quality service providers to this sector which is pre-

dominantly unorganized till date. Your Company is also exploring the possibilities of entering into online education segment which is expected to grow at a rapid pace.

The company through its wholly owned subsidiary continues to provide end-to-end school management services to K-12 schools in eastern India. These schools have around 2500 students.

Business Review

Learning Business Segment/ Higher Education

During the year, 6 (six) new partner centres under Usha Martin Academy were started. Being the first year, these centres were operated at sub-optimum level and we expect the performances of these centres to improve in financial year 2012-13. During the year, the Company has shifted its focus on undergraduate courses due to the fall in demand for post graduate courses. Due to comparative higher costs of delivery for undergraduate courses, margins have declined. Your company is focusing on increasing the overall profitability for all its courses during 2012-13. During the current year under review, your company has successfully trained and provided placement assistance to over 80% of students who have completed the required course at its various study centers.

Opportunities

Indian Government's positive thrust on education, allocation of higher budgetary amount for the education sector and increased focus on capacity building presents a unique opportunity for growth of education business.

Risk & Concerns

The Company is exposed to the normal risk factors of Governmental policies which pose as a deterrent to entry of private players in education business, demographic distribution and concentration, literacy rates, existence of competitors, credit risk, liquidity risk, etc.

Adequacy of Internal Controls

The Company has a proper and adequate system of internal controls 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

The Company recognizes the importance and contribution of people in delivering existing business and identifying new business opportunities and is committed to the welfare of its staff by providing a congenial work environment.

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

Forward Looking 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.

On behalf of the Board of Directors

Place : Kolkata
Dated : May 9, 2012

Prashant Jhawar Chairman
Debjit Bhattacharya Whole-time Director

REPORT ON CORPORATE GOVERNANCE

The philosophy of the Company on Corporate Governance is to attain the highest level of transparency, accountability and equity in all areas of its operations and interaction with customers and stakeholders.

I. BOARD OF DIRECTORS

> Composition

The total strength of your Board of Directors is nine members consisting of one Non-Executive Chairman, seven Non-Executive Directors and one Executive Director. The Board comprised of five independent directors out of total nine 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 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 299(1) of the Companies Act, 1956 ('the said Act'). The Company maintains Register of Contracts and details of companies and firms in which Directors are interested as provided under Section 301 (1) of the said Act.

Composition of the Board of Directors and their shareholding as on 31st March, 2012

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	7	1	-	134,220
Shri. Rajeev Jhawar	Vice-Chairman / Non- Executive/ Dependent	7	2	-	36,957
Sir Stephen Harry Waley Cohen Bt.	Non-Executive / Independent	-	-	-	-
Shri. Subrata Kumar Mitra	Non-Executive/ Independent	8	4	2	-
Shri. Rameshwar Pal Agrawal	Non-Executive/ Independent	-	-	-	-
Shri. Shiva Kumar Barasia	Non-Executive/ Dependent	5	-	-	200
Shri. Trivikram Khaitan	Non-Executive/ Independent	2	-	-	-
Shri. Rahul Choudhary	Non-Executive / Independent	-	-	-	-
Shri. Debjit Bhattacharya	Whole-time Director/ Executive	-	-	-	16,000

@Excluding foreign companies, private companies and companies under Section 25 of the Companies Act, 1956.

Summary of Composition of the Board of Directors

Directors	Number
Dependent, Non-Executive	Three
Independent, Non Executive	Five
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:

11th May, 2011, 28th July, 2011, 3rd November, 2011 and 30th January, 2012

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	4	Yes
Shri Rajeev Jhawar	3	No
Sir Stephen Harry Waley Cohen	3*	Yes
Shri Subrata Kumar Mitra	3	Yes
Shri Rameshwar Pal Agrawal	4	Yes
Dr. Saugata Banerjee#	3	Yes
Shri Shiva Kumar Barasia	4	Yes
Shri Trivikram Khaitan	4	Yes
Shri Rahul Choudhary	3	No
Shri Debjit Bhattacharya	4	Yes

* Sir Stephen Harry Waley Cohen Bt. attended 1 (one) meeting through Telephonic Conference.

Dr. Saugata Banerjee resigned from the directorship of the Company with effect from 30th January, 2012.

➤ **Term of office of Directors**

In terms of Section 255 and 256 of the said Act, two-thirds of the total strength of the Directors are liable to retire by rotation and one-third of them are required to retire every year and if eligible, may seek re-appointment at the Annual General Meeting. The information on Directors who are retiring by rotation and offering themselves for reappointment has been given in the notice of the Annual General Meeting.

➤ **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 IA 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 maintain a well define 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.

II. AUDIT COMMITTEE

> Constitution of Audit Committee

The Audit Committee has been constituted in line with the provisions of clause 49 of the Equity Listing Agreement and also meets the requirement of Section 292A of the Companies Act, 1956. The members of the Committee are financial experts.

The members of Audit Committee as on 31st March 2012 are as follows:

Name	Designation
Shri Rahul Choudhary	Chairman/Independent / Non-executive
Shri Shiva Kumar Barasia	Member/Dependent / Non-executive
Shri Trivikram Khaitan	Member/Independent / Non-executive

The Company Secretary acts as the Secretary to the committee.

> 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 11th May, 2011, 28th July, 2011, 3rd November, 2011 and 30th January, 2012.

Director	Audit Committee Meetings attended
Shri Rahul Choudhary	3
Shri Shiva Kumar Barasia	4
Shri Trivikram Khaitan	4

The Chairman of the Audit Committee has not attended the last Annual General Meeting held on 28th July, 2011.

> Terms of Reference for Audit Committee

The Term of Reference of Audit Committee include the power as laid out in Clause 49 II (C) of the Equity Listing Agreement and role as stipulated in Clause 49 II (D) of the Equity Listing Agreement which inter alia includes the following:

1. To review the scope of audit (including the audit report) and any management letters issued by the statutory auditors.
2. To oversee the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
3. To review before submission to the Board the quarterly, half yearly and annual financial statements, Management Discussion and Analysis and significant Related Party Transactions.
4. To review adequacy of internal control system and ensure compliance with the same including holding of discussions regarding internal control system.
5. To review performance of the statutory and internal auditors and to recommend the appointment, re-appointment, replacement or removal of the statutory auditors, the fixation of audit fees; and approval of payment to statutory auditors for any other services rendered.
6. To review the adequacy and the structure of the internal audit function, staffing, reporting structure and frequency of internal audit including appointment and removal and terms of remuneration of the Chief Internal Auditor.
7. To review the applications of the funds raised through issue of shares.
8. To look into the reasons for substantial defaults, if any, in the payment to the investors and creditors.

9. To review Corporate Governance & other compliances.
10. To review any internal investigation reports and the functioning of the Whistle Blower mechanism, in case the same is existing.
11. To implement and monitor requirements as set out in Rules on Prevention of Insider Trading.
12. Any other functions as may be delegated by the Board.

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.

III. REMUNERATION COMMITTEE (NON MANDATORY)

➤ Constitution of Remuneration Committee

The Company has a duly constituted Remuneration Committee. As on 31st March 2012, the Committee comprises of following members:

Name	Designation
Sir Stephen Harry Waley Cohen Bt.	Chairman/Independent/Non-Executive
Shri Rahul Chaudhary	Member/Independent/Non-Executive
Shri Trivikram Khaitan	Member/Independent/Non-Executive
Shri Rajeev Jhawar	Member/Dependent/ Non-Executive
Shri Shiva Kumar Barasia	Member/Dependent/ Non-Executive

The Company Secretary acts as Secretary of the Committee.

➤ Meeting of the Remuneration Committee

During the financial year ended 31st March 2012. There was no meeting of the remuneration committee.

➤ Terms of Reference of Remuneration Committee

The Terms of Reference of the Committee are as follows:

- 1) To determine and recommend the remuneration package (including pension rights and compensation) and terms of reference of Executive Directors.
- 2) To review performance of Executive Directors.

➤ Details of Remuneration paid to all Directors

● Executive Director

The remuneration of Whole-time Director is recommended by the Remuneration Committee to the Board of Directors for its necessary consideration and approval. The remuneration of the Executive Director is also 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:

- Details as per sub Note 8 of Note 20 to the Notes on Accounts.
- The appointment is subject to termination by 3 months notice in writing from either side;
- The Company does not have any scheme for grant of stock options to its Directors and Employees.

● **Non-Executive Directors**

Directors	Sitting Fees Paid (₹)
Shri Prashant Jhavar	8,000
Shri Rajeev Jhavar	6,000
Sir Stephen Harry Waley Cohen Bt.	4,000
Shri Subrata Kumar Mitra	6,000
Shri Rameshwar Pal Agrawal	8,000
Dr. Saugata Banerjee	6,000
Shri Shiva Kumar Barasia	8,000
Shri Trivikram Khaitan	8,000
Shri Rahul Choudhary	6,000

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.

➤ **Audit Committee Members**

Directors	Sitting Fees Paid (₹)
Shri. Rahul Choudhary	6,000
Shri. Shiva Kumar Barasia	8,000
Shri. Trivikram Khaitan	8,000

IV. SHAREHOLDERS & INVESTORS GRIEVANCE COMMITTEE

The said Committee was formed on 30th October, 2000. The Committee in consultation with the secretarial department of the Company examines the grievance of members/investors and the system of redressal of the same.

➤ **Constitution of Shareholders & Investors Grievance Committee**

The Shareholders & Investors Grievance Committee, comprises of following members as on 31st March 2012:

Name	Designation
Shri Rajeev Jhavar	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 Committee are as follows:

- To approve transfer/transmission of shares, issue new certificates against lost, defaced, mutilated, consolidations, subdivision etc.

- 2) To look into the redressing of shareholder complaints like transfer of shares, non receipt of balance sheet, non receipts of declared dividends etc.
- 3) To uphold the basic rights to transfer and registration of shares, redressal of complaints, obtaining relevant information on the Company on a timely basis.

Status of complaints for the period from 01-04-2011 to 31-03-2012

Complaints pending as on 1st April, 2011	Nil
Number of complaints received during the year	16
Number of complaints attended to/resolved during the year	16
Complaints pending as on 31st March, 2012	Nil
Number of share transfer pending for approval as on 31 st March, 2012	Nil

V. GENERAL BODY MEETINGS

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

Date & Time	Venue	Special Resolutions Passed
28 th July, 2011 at 3.30 PM	Shripati Singhanian Hall, Rotary Sadan, 94/2, J.N Road, Kolkata-20	None
6 th August, 2010 at 3.30 PM	Shripati Singhanian Hall, Rotary Sadan, 94/2, J.N Road, Kolkata-20	For carrying on new business activity under Section 149(2A) of Companies Act, 1956
7 th August, 2009 at 10.00 AM	Shripati Singhanian Hall, Rotary Sadan, 94/2, J.N Road, Kolkata-20	None

VI. COMPLIANCE WITH OTHER MANDATORY REQUIREMENTS
➤ Management Discussion and Analysis Report

A Management Discussion and Analysis report forms part of the annual report and includes discussion on various matters specified under clause 49(IV)(F) of the Equity Listing Agreement.

➤ Financial performance of the Company

The Company's Standalone Revenue showed a marginal growth of 0.73% over last year. Company's Standalone After-tax Profit was registered at ₹40.51 lakhs.

➤ Subsidiaries

The Company has a subsidiary under the name and style of "Usha Martin Education Private Limited" which is not a material non-listed Indian Subsidiary as per clause 49 III (j) of the Equity Listing Agreement. An Independent Director of the Company is appointed as one of the Directors of subsidiary company. The minutes of proceedings of meetings of the Board of Directors of subsidiary companies 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.

VII. DISCLOSURES
➤ Materially significant related party transactions

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.

➤ **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 Companies Act, 1956 and comply in material aspects with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 reading with the Companies (Accounting Standard) Rules, 2006.

➤ **CEO/CFO Certification**

As required by Clause 49 (V) (B) 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.

Non Mandatory Conditions

➤ **The Board**

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

➤ **Remuneration Committee**

The Company has a Remuneration Committee as reported in paragraph III above.

➤ **Audit Qualification**

There is no audit qualification.

The rest of the Non Mandatory Requirements such as Shareholders' Right, Training of Board Members, Mechanism of evaluating non-executive Board Members and Whistle Blower Policy 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.

➤ **Press Releases**

Official press releases on performance of the Company, significant corporate decisions/activities, etc., are promptly forwarded to stock exchanges and to the media (both print and electronic mode).



➤ **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. The Management Discussion and Analysis Report and Corporate Governance Report forms 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	2A, Shakespeare Sarani, Kolkata – 700 071	
➤ Date, time and Venue of Annual General Meeting	Wednesday, 1 st of August 2012 at 2-30 P.M. at "Sripati Singhanian Hall", Rotary Sadan, 94/2, Jawaharlal Nehru Road, Kolkata – 700 020	
➤ Financial Calendar (tentative and subject to change)		
• Financial reporting for the first quarter ending June 30, 2012	On or before 14 th August, 2012	
• Financial reporting for the second quarter ending September 30, 2012	On or before 15 th November, 2012	
• Financial reporting for the third quarter ending December 31, 2012	On or before 15 th February, 2013	
• Audited Results for the year ended March 31, 2013	On or before 30 th May, 2013	
• Annual General Meeting for the year ended March 31, 2013	On or before 30 th September, 2013	
➤ Date of Book Closure	21 st July, 2012 to 1 st August, 2012	
➤ Dividend Payment Date	Not Applicable	
➤ Listing on Stock Exchange and Code Number	Stock Exchange	Scrp 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	UMESLTD
• Global Depository Receipt (GDRs)	Société de la Bourse de Luxembourg Societe Anonyme, R.C.B.6222B. 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	

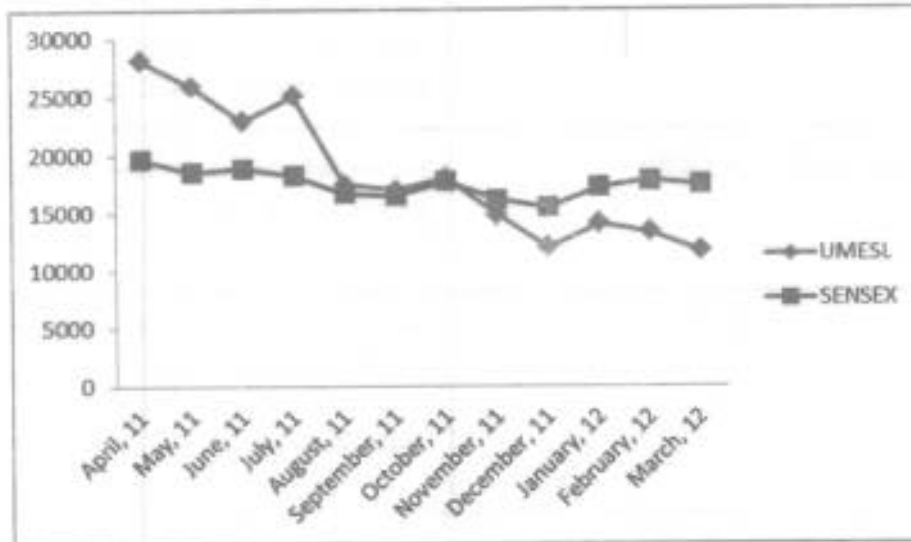
➤ Market Price Data

Month	NSE			BSE		
	High	Low	Volume	High	Low	Volume
Mar 12	14.50	10.10	112049	14.95	10.10	484200
Feb 12	14.30	12.40	52147	14.50	12.60	149908
Jan 12	15.80	10.65	63651	16.50	11.40	74066
Dec 11	17.30	11.20	28043	17.19	11.00	43256
Nov 11	19.75	13.35	102229	20.80	13.10	102881
Oct 11	21.00	15.50	128229	21.10	15.50	93227
Sep 11	19.80	16.00	74768	20.30	16.00	60072
Aug 11	25.30	14.20	211524	25.25	15.40	264015
Jul 11	27.80	22.00	197268	28.00	22.65	200219
Jun 11	26.90	22.00	205316	27.00	22.10	118151
May 11	30.00	22.40	236360	30.60	24.80	241781
Apr 11	32.90	24.00	325940	32.45	24.15	213947



➤ 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 2011 to March, 2012 is given below:



➤ Registrar and Transfer Agents

M/s. MCS Limited
77/2A, Hazra Road, Kolkata – 700 029
Ph. : 033- 2454 1892/93, Fax : 033-2454 1961
Website : www.mcsdel.com
E-mail : mcskol@rediffmail.com

➤ 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.

➤ Pattern of shareholding as on 31st March, 2012

Category	2011-12				2010-11			
	No. of Share holders	% of Share holders	No. of Share held	% of Share holding	No. of Share holders	% of Share holders	No. of Share held	% of Share holding
Promoters Group	20	0.06	11366921	43.03	22	0.06	11366921	43.03
Mutual Funds//UTI	6	0.02	1634	0.01	6	0.02	1634	0.01
Banks/Financial Institutions/Ins/ Govt.	33	0.10	936562	3.54	33	0.10	936562	3.54
FIIS/FVC	6	0.02	1562889	5.92	6	0.02	1481194	5.61
Bodies Corporates	567	1.68	1914235	7.25	645	1.88	2094573	7.93
Individuals	32914	97.67	8519354	32.25	33420	97.47	8429132	31.91
Others	151	0.45	314761	1.19	154	0.45	306340	1.16
GDRs	1	0.00	1799455	6.81	1	0.00	1799455	6.81
Total	33698	100.00	26415811	100.00	34287	100.00	26415811	100.00

➤ **Distribution of Shareholding as on 31st March, 2012**

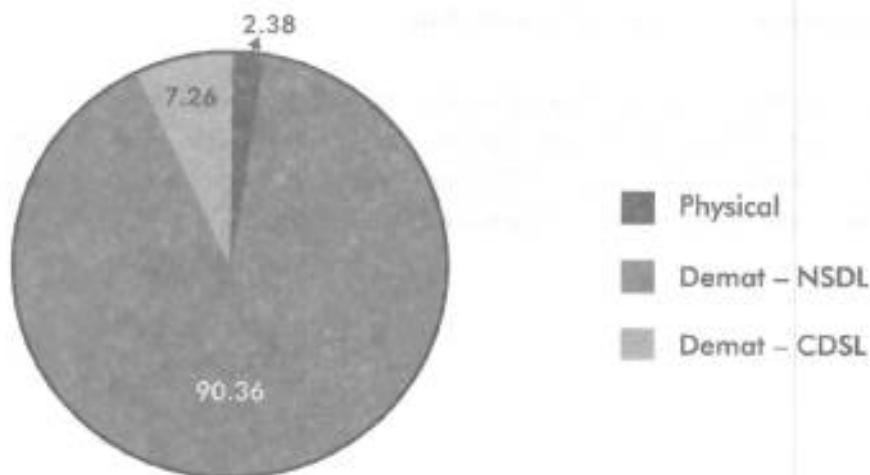
Range	No. of Shareholders	Number of Shares
1 - 500	31503	2297186
501 - 1000	1119	947332
1001 - 5000	867	2074107
5001 - 10000	110	836798
10001 & above	99	20260388
Total	33698	26415811

➤ **Dematerialization of Shares and Liquidity as on 31st March, 2012**

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, 2012 is as under:

Type of shareholding	No. of Shares	Percentage of Shareholding
Physical	628388	2.38
Demat - NSDL	23869595	90.36
Demat - CDSL	1917828	7.26
Total	26415811	100

➤ **Physical vis-à-vis Demat shareholding as on 31.03.2012**



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

As on 31st March, 2012, there are 1,799,455 outstanding GDRs each representing one equity share of the Company.



➤ **Address for correspondence / enquiry**

Usha Martin Education & Solutions Limited

2A, Shakespeare Sarani,

Kolkata – 700 071

Phone: 033-39800300, Fax: 033-39800400

E-mail: investors@umitl.co.in, contact@umitl.co.in

DECLARATION

As provided under Clause 49 of the Equity Listing Agreement with Stock Exchanges, it is hereby declared that all the Board Members and Senior Executives of the Management of the Company have affirmed the compliance of Code of Conduct for the year ended 31st March 2012.

Place: Kolkata
Date: May 9, 2012

Debjit Bhattacharya
Whole-time Director

Persons constituting group coming within the definition of “group” as defined in the Monopolies and Restrictive Trade Practices Act, 1969 include the following:

Usha Martin Ltd., UMIL Share and Stock Broking Services Ltd., Peterhouse Investment Ltd., Usha Martin Ventures Ltd., Usha Martin Finance Ltd., Prajeev Investments Ltd., Brij Investments Pvt. Ltd., Prashant Investments Ltd., Peterhouse Investments India Ltd., Kenwyn Overseas Ltd., UCT Properties Pvt. Ltd., Neutral Publishing House Ltd., Redtech Network India Private Limited, Usha Breco Limited, Usha Breco Realty Limited.

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 the Clause 49 of the Equity Listing Agreement with the various Stock Exchanges, I hereby certify as under with regard to the Annual Audited Accounts of the Company for the financial year ended 31st March, 2012, 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 my 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 my 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 I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, which I am aware of and steps I have taken or propose to take to rectify these deficiencies;
- d. That I 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: May 9, 2012

Debjit Bhattacharya
Whole-time Director



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, 2012, as stipulated in Clause 49 of the Equity 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.

21, Hemanta Basu Sarani
(Old Court House Street)
3rd Floor, Room No. 303
Kolkata-700001

Place : Kolkata
Date : May 9, 2012

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

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

AUDITORS' REPORT TO THE MEMBERS

1. We have audited the attached Balance Sheet of **USHA MARTIN EDUCATION & SOLUTIONS LIMITED** as at 31st March, 2012, the Statement of Profit & Loss and also the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes (a) examining, on a test basis, evidence to support the financial statement amounts and disclosures in the financial statement; (b) assessing the accounting principles used in the preparation of financial statements; (c) assessing significant estimates made by the management in the preparation of the financial statements and (d) evaluating overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of Sec.227(4A) of the Companies Act, 1956, we have given in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order

Further to our comments in the Annexure referred to in paragraph (3) above, we report that:

- a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
- b) In our opinion, proper books of accounts as required by law, have been kept by the Company so far as appears from our examination of the books of the Company;
- c) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of Accounts;
- d) In our opinion, the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub section 3C of Section 211 of the Companies Act, 1956;
- e) On the basis of written representations received from the directors as on 31st March, 2012, and taken on record by the Board of Directors, in our opinion, none of the directors is disqualified as on 31st March, 2012 from being appointed as director u/s 274(1)(g) of Companies Act, 1956;
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon and attached thereto, give a true and fair view in conformity with accounting principles generally accepted in India:
 - (i) in the case of Balance Sheet of the state of affairs of the Company as at 31st March, 2012;
 - (ii) in the case of Statement of Profit & Loss of the Profit for the year ended on that date; and
 - (iii) in case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

Place : Kolkata
Date : May 9, 2012

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

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.
- (c) Since there was no significant/substantial disposal of fixed assets during the year, the same has not affected the company as a going concern.
- (ii) The nature of company's activities during the year have been such that clause 4(ii) of the Order is not applicable.
- (iii) As the company has neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under sec.301 of the Companies Act, 1956 so clause 4(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) According to the information and explanations provided by the management, the company has entered therein the contracts or arrangements that need to be entered into the register maintained u/s.301 of the Companies Act, 1956. All such transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The company has not accepted any deposits from the public.
- (vii) The company has an internal audit system commensurate with its size and nature of its business.
- (viii) The clause relating to maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 is not applicable to the company.
- (ix) (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.
- (x) The Company does not have any accumulated loss as at 31st March, 2012 and has neither incurred cash losses in the financial year under report nor in the financial year immediately preceding such financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management the company has not defaulted in the repayment of dues to any financial institution or banks. No debentures have been issued by the company and as such the question of default on the same does not arise.
- (xii) According to the information and explanations given to us and based on the documents and records produced, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

- (xiii) In our opinion, the company is not a Chit Fund or a Nidhi / Mutual Benefit Fund / Society and therefore the provisions of clause 4(xiii) of the Order are not applicable.
- (xiv) In our opinion, the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.
- (xv) 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.
- (xvi) Since no term loans have been raised by the company, clause 4(xvi) of the order is not applicable.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet, we find that the company has not utilized funds raised on short term basis for long term investments.
- (xviii) No share capital has been raised by the company during the year and hence the question of making any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956, does not arise.
- (xix) No debentures have been issued by the company and hence the question of creating securities or charge in respect thereof does not arise.
- (xx) The company has not raised any money through a public issue during the year.
- (xxi) 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 Registration No. 310089E

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

Place : Kolkata

Date : May 9, 2012

**Balance Sheet as at 31st March, 2012**

Particulars	Note No.	As at 31st March, 2012 (Amount in ₹)	As at 31st March, 2011 (Amount in ₹)
I EQUITY AND LIABILITIES			
1) Shareholders' Funds			
(a) Share Capital	1	26,415,811	26,415,811
(b) Reserves and Surplus	2	184,636,529	180,585,997
2) Non - Current Liabilities			
(a) Long Term Provisions	3	643,077	588,030
3) Current Liabilities			
(a) Trade Payables	4	13,400,955	10,210,485
(b) Other Current Liabilities	5	3,530,583	10,282,980
(c) Short Term Provisions	6	7,032,505	6,182,263
	TOTAL	235,659,460	234,265,566
II ASSETS			
1) Non - Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	7	35,243,764	38,580,262
(ii) Intangible Assets		1,319,144	2,141,861
(b) Non-Current Investments	8	160,500,000	160,500,000
(c) Long Term Loans and Advances	9	7,414,698	6,900,176
(d) Other Non- Current Assets	10	500,000	500,000
2) Current Assets			
(a) Trade Receivables	11	15,332,885	14,318,644
(b) Cash and Cash equivalents	12	2,877,370	1,443,189
(c) Short Term Loans and Advances	13	12,428,657	9,823,571
(d) Other Current Assets	14	42,942	57,863
	TOTAL	235,659,460	234,265,566

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 : 9th May, 2012

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, 2012

Particulars	Note No.	For the Year Ended 31st March, 2012 (Amount in ₹)	For the Year Ended 31st March, 2011 (Amount in ₹)
I Revenue			
Revenue from Operations	15	128,035,215	125,678,584
Other Income	16	1,049,725	2,470,080
II Total Revenue		129,084,940	128,148,664
III Expenses			
Employee Benefit Expense	17	41,117,302	42,764,435
Finance Costs	18	499,171	665,684
Depreciation and Amortization Expense		9,561,359	7,307,480
Operating and Administrative Expenses	19	72,901,576	57,793,738
IV Total Expenses		124,079,408	108,531,337
V Profit before Tax		5,005,532	19,617,327
VI Tax Expense:			
Current Tax		955,000	3,910,000
VII Profit / (Loss) after tax		4,050,532	15,707,327
Earnings per Equity Share:			
(1) Basic		0.15	0.59
(2) Diluted		0.15	0.59

Significant Accounting Policies and Notes on Accounts 20

This is the Statement of Profit & Loss 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 : 9th May, 2012

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

On behalf of the Board

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

**Notes forming part of Balance Sheet**

	As at 31st March, 2012 (Amount in ₹)	As at 31st March, 2011 (Amount in ₹)
Note : 1 - SHARE CAPITAL		
a) Authorised		
200,000,000 Equity Shares of ₹ 1/- each <i>(Previous year 200,000,000 Equity Shares of ₹ 1/- each)</i>	200,000,000	200,000,000
1,000,000 10.75% Cumulative Redeemable preference Shares of ₹ 50/- each	50,000,000	50,000,000
	<u>250,000,000</u>	<u>250,000,000</u>
b) Issued, Subscribed and Paid-up		
26,415,811 Equity Shares of ₹ 1/- <i>(Previous year ₹ 1/-) each</i>	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) 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 31.03.2012	% of Equity Shares as on 31.03.2012	No. of Equity Shares as on 31.03.2011	% of Equity Shares as on 31.03.2011
Umil Share & Stock Broking Services Ltd	3,075,127	11.64	3,075,127	11.64
Usha Martin Finance Limited	-	-	2,666,218	10.09
Peterhouse Investment India Limited	2,968,718	11.24	115,500	0.44
Peterhouse Investment Limited	2,388,291	9.04	2,388,291	9.04
Prageev 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, 2012 (Amount in ₹)	As at 31st March, 2011 (Amount in ₹)
Note : 2 - RESERVE AND SURPLUS		
Securities Premium Account		
As per last Account	120,249	230,862,705
Less: Utilised for reduction in value of Investments	-	230,742,456
	<u>120,249</u>	<u>120,249</u>
Capital Redemption Reserve		
As per last Account	-	50,000,000
Less: Utilised for reduction in value of Investments	-	50,000,000
	<u>-</u>	<u>-</u>
General Reserve Account (see note below)		
As per last Balance Sheet	180,465,748	164,758,421
Add: Transferred from Statement of Profit & Loss	4,050,532	15,707,327
	<u>184,516,280</u>	<u>180,465,748</u>
	<u>184,636,529</u>	<u>180,585,997</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 in 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)	349,998	301,953
- Leave Encashment (Un-funded)	293,079	286,077
	<u>643,077</u>	<u>588,030</u>
Note : 4 - Trade Payables		
For Micro and Small Enterprises		
For Supplies / Services	11,259,001	10,027,374
Accrued Expenses	2,141,954	183,111
	<u>13,400,955</u>	<u>10,210,485</u>
Note : 5 - Other Current Liabilities		
Advance Received from Customers	370,350	5,653,868
Other Payables		
Statutory Dues	588,750	1,529,197
Capital Goods	147,690	361,402
Employees related liability	2,423,793	2,738,513
	<u>3,530,583</u>	<u>10,282,980</u>
Note : 6 - Short Term Provisions		
Provisions for Taxation		
Provision for Employee benefit	7,010,532	6,141,332
- Gratuity (Funded)	11,492	30,383
- Leave Encashment (Un-funded)	10,481	10,548
	<u>7,032,505</u>	<u>6,182,263</u>

Notes forming part of Balance Sheet
Note - 7 : Fixed Assets [Refer Point 1 (b) on Note20]

(Figs. in ₹)

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Balance as at 31st March, 2011	Additions	Sales / adjustments during the year	Balance as at 31st March, 2012	As at 31st March, 2011	Depreciation Charges for the year	Sales / adjustments during the year	Balance as at 31st March, 2012	Balance as at 31st March, 2012	Balance as at 31st March, 2011
A. Tangible Assets										
Building	10,505,757	374,422	-	10,880,179	75,014	172,765	-	247,779	10,632,400	10,430,743
Plant and Equipment	21,536,709	1,690,131	8,320	23,228,520	11,268,058	6,724,364	8,030	17,984,392	5,234,128	10,268,651
Office Equipment	3,919,580	753,469	-	4,673,049	395,560	339,794	-	735,354	3,937,695	3,524,020
Furniture & Fixtures	15,471,888	2,199,992	19,238	17,652,642	2,355,408	1,207,756	2,443	3,560,721	14,091,921	13,116,480
Vehicles	1,962,199	426,930	428,065	1,961,064	721,831	146,417	254,804	613,444	1,347,620	1,240,368
	53,396,133	5,444,944	455,623	58,385,454	14,815,871	8,591,096	265,277	23,141,690	35,243,764	38,580,262
B. Intangible Assets										
Software	3,388,905	147,546	-	3,536,451	1,247,044	970,263	-	2,217,307	1,319,144	2,141,861
	3,388,905	147,546	-	3,536,451	1,247,044	970,263	-	2,217,307	1,319,144	2,141,861
Total (A) + (B)	56,785,038	5,592,490	455,623	61,921,905	16,062,915	9,561,359	265,277	25,358,997	36,562,908	40,722,123
Previous Year	33,047,545	29,003,902	5,266,409	56,785,038	8,755,435	7,307,480	-	16,062,915	40,722,123	

Notes forming part of Balance Sheet

NOTE .8- Non Current Investments

Investment 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 31st March, 2012 (Amount in ₹)	As at 31st March, 2011 (Amount in ₹)
		2012	2011			2012	2011			
i) Usha Communications Technology Limited, British Virgin Islands		9,396,097	9,396,097	Unquoted	Fully Paid up			Cost	55,000,000	55,000,000
ii) Radtech Network India Private Limited (Formerly, Bonsal Network India Private Limited)		528,974	528,974	Unquoted	Fully Paid up			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

**Notes forming part of Balance Sheet**

	As at 31st March, 2012 (Amount in ₹)	As at 31st March, 2011 (Amount in ₹)
Note : 9 - Long Term Loans and Advances		
Security Deposits (Unsecured considered good unless otherwise stated)		
Considered Good	5,893,935	5,893,935
Considered Doubtful	-	-
Other Loans and Advances (Recoverable in cash or in kind or for value to be received)		
Prepaid expenses	1,520,763	1,006,241
	<u>7,414,698</u>	<u>6,900,176</u>
Note : 10 - Other Non-Current Assets		
Fixed Deposit with Bank (with IDBI Bank Ltd. for availing Working Capital Facility)	500,000	500,000
	<u>500,000</u>	<u>500,000</u>
Note : 11 - Trade Receivable		
(Unsecured considered good unless otherwise stated)		
Outstanding for a period exceeding six months	-	-
Considered Good	-	-
Considered Doubtful	-	-
Provision for doubtful receivables	-	-
Other Receivables		
Considered Good	15,332,885	14,318,644
Considered Doubtful	-	-
	<u>15,332,885</u>	<u>14,318,644</u>
	<u>15,332,885</u>	<u>14,318,644</u>

Notes forming part of Balance Sheet

	As at 31st March, 2012 (Amount in ₹)	As at 31st March, 2011 (Amount in ₹)
Note : 12 - Cash and Cash Equivalents		
Cash on Hand	76,969	84,614
Balances with Banks	1,648,414	1,119,228
Cash Credit Account (For Security refer Point No. 2 of Note- 20)	1,151,987	239,347
Fixed Deposit with Bank (with IDBI Bank Ltd. for availing Working Capital Facility)	500,000	500,000
Less: Non Current portion transferred to Other Non-Current Assets (Ref. Note No. 10)	<u>500,000</u>	<u>500,000</u>
	<u>2,877,370</u>	<u>1,443,189</u>
Note : 13 - 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	10,912,390	7,582,483
Advance against supplies of Goods and Services	331,305	1,518,312
Prepaid Expenses	956,755	533,786
Advance /Loans to Employees	228,207	188,990
	<u>12,428,657</u>	<u>9,823,571</u>
Note : 14 - Other Current Assets		
Interest Receivable		
Others	42,942	8,363
	<u>42,942</u>	<u>49,500</u>
	<u>42,942</u>	<u>57,863</u>

**Notes forming part of Statement of Profit and Loss**

	For the Year Ended 31st March, 2012 (Amount in ₹)	For the Year Ended 31st March, 2011 (Amount in ₹)
Note : 15 - Revenue from Operations		
Income from Learning Business	120,885,661	113,080,886
(Tax deducted at Source ₹. 2,860,799/- , Previous Year. ₹. 2,016,474/-)		
Consultancy and Job work Income	7,149,554	12,597,698
(Tax deducted at Source ₹. 781,679/-, Previous Year. ₹. 1,204,089/-)		
	128,035,215	125,678,584
Note : 16 - Other Income		
Interest Income on Bank Fixed Deposit	128,772	36,511
(Tax deducted at Source ₹. 9,084/- , Previous Year. ₹. 2,289/-)		
Liabilities no longer required written back	872,157	1,854,011
Provision for Doubtful Debts no longer required written back	-	49,500
Income from Dividend	-	528,974
Prior period Income	929	-
Foreign Exchange Fluctuation Gain (Net)	47,452	-
Profit on Sale of Fixed Assets	415	-
Miscellaneous receipts	-	1,084
	1,049,725	2,470,080
Note : 17 - Employee Benefit expense		
Salaries and Bonus	38,842,140	40,475,558
Contribution to Provident Fund and other Funds	1,908,581	1,866,970
Staff Welfare Expenses	366,581	421,907
	41,117,302	42,764,435
Note : 18 - Finance Costs		
(No Borrowing Cost has been Capitalized during the year)		
Interest on Working Capital Loan from Bank	318,974	35,064
Other Borrowing Cost	164,674	569,955
Others	15,523	60,665
	499,171	665,684

Notes forming part of Statement of Profit and Loss

For the Year Ended
31st March, 2012
(Amount in ₹)

For the Year Ended
31st March, 2011
(Amount in ₹)

Note : 19 - Operating and Administrative Expenses

Travelling and Conveyance	4,503,035		3,527,052	
Communication	1,424,924		1,733,138	
Power	3,274,452		3,079,561	
Maintenance expenses	6,290,637		5,639,950	
Rent	7,717,216		6,339,221	
Lease Rent	300,000		300,000	
Insurance	555,782		175,791	
Computer Consumables	375,233		161,780	
Professional and Consultancy charges	19,561,251		11,076,084	
Legal & Secreterial	667,733		1,287,404	
Marketing and Advertisement	17,146,708		16,577,770	
Business Development	87,560		392,397	
Printing and Stationery	1,319,914		1,189,176	
Brokerage/ Commission	490,000		465,000	
Hire charges	3,006,924		1,223,431	
Recruitment expenses	413,051		1,066,629	
Registration and Courseware	1,980,671		1,937,214	
Directors Meeting Fees	82,000		100,000	
Auditors' Remuneration				
For Statutory Audit	100,000		60,000	
For Tax Audit	25,000	125,000	15,000	75,000
Rates and Taxes		249,700		2,500
Bank Charges		108,856		74,434
Foreign Exchange Fluctuation Loss (Net)		-		42,633
Bad Debts/Sundry Balances written off		1,296,992		67,917
Miscellaneous Expenses		1,923,937		1,259,656
		<u>72,901,576</u>		<u>57,793,738</u>

Note 20 : Significant Accounting Policies and Notes on Accounts for the year ended 31st March, 2012

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 is provided using straight-line method (SLM) at the rates prescribed in schedule XIV of the Companies Act 1956, other than Computer & Computer Software and Laptops provided to students which are also depreciated under SLM over a period of 3 years and 2 years respectively.

Further individual assets costing less than Rupees Five Thousands are depreciated in full in the year of purchase.

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 software services and consultancy is recognized as follows:

- The revenue from time and material contracts is recognized on the basis of the time spent and materials consumed as per the terms of the contract.
- In case of fixed price contracts revenue is recognized on percentage completion basis based on milestones defined in the contract. Foreseeable losses, if any, on contract completion is provided for.

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 & Non Current assets and liabilities

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

Note 20 : Significant Accounting Policies and Notes on Accounts for the year ended 31st March, 2012

- (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 expenses 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.



Note 20 : Significant Accounting Policies and Notes on Accounts for the year ended 31st March, 2012

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 renewed 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. As on 31st March, 2012 there was no outstanding balance on the working capital facility as provided by IDBI Bank Ltd.

3) Power and Communication expenses include ₹. 1,36,682 and ₹. 3,370 respectively relating to earlier year.

4) Foreign Currency Earnings & Outgo:

a) Expenditure in foreign currency:

	2011-12 (₹)	2010-11 (₹)
Listing Fees	168,125	165,294
Foreign Travel	420,024	-

b) Earnings in foreign currency:

	2011-12 (₹)	2010-11 (₹)
Reimbursement of Expenses against services for setting of Education Centre /Income from Research report on Education	1,423,381	6,973,00

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 -
Redtech Network India Private Limited.	- do -
Debjit Bhattacharya (Whole-time Director)	Key Managerial Personnel

Note 20 : Significant Accounting Policies and Notes on Accounts for the year ended 31st March, 2012

ii) Particulars of Transactions during the year ended 31st March, 2012

Particulars	Subsidiaries and Associates (₹)	Key Management Personnel (₹)
Rent Paid (including lease Rent)	660,000 660,000	— —
Directors' Remuneration	— —	1,475,000 1,222,918
Income from Consultancy/Manpower	6,000,000 6,800,000	— —
Investment in Usha Martin Education Private Limited	— 1,925,000	— —
Balances outstanding at the year end		
Usha Martin Limited- lease Rent	— 300,000	— —
Investment in Equity and Preference Shares	Refer Note No. 8 to Accounts -do-	

Figures in normal font relate to previous year

6) The Segment Information for the year ended 31st March, 2012

I (a) The Company is engaged in two main business segments:

- Software business and Consultancy comprising of software development and support services
- Learning business comprising of learning solutions in the area of Technology & Management.

(b) During the year there were no inter-segment revenues.

II Segment Revenues, Results and Other Information

(Amount in ₹)

Particulars	Software & Consultancy	Learning	Total
Revenue from Operations	7,149,554 12,597,698	120,885,661 113,080,886	128,035,215 125,678,584
Other Income	155,728 2,125,213	893,997 344,867	1,049,725 2,470,080
Segment Revenues	7,305,282 14,722,911	121,779,658 113,425,753	129,084,940 128,148,664

**Note 20 : Significant Accounting Policies and Notes on Accounts for the year ended 31st March, 2012**

(Amount in ₹)

Particulars	Software & Consultancy	Learning	Total
Segment Results (Profit/(Loss) before interest, taxation and un-allocable expenditure	2,793,892	4,596,438	7,390,330
	7,930,960	15,079,179	23,010,139
Segment Assets	561,179	74,098,280	74,659,459
	2,681,667	70,583,898	73,265,565
Segment Liabilities	2,183,944	15,412,644	17,596,588
	2,328,070	18,794,356	21,122,426
Capital Expenditure	—	5,592,490	5,592,490
	—	29,003,902	29,003,902
Depreciation	52,662	9,508,697	9,561,359
	202,263	7,105,217	7,307,480

III Reconciliation of Reportable Segments with the Financial Statements

(Amount in ₹)

Particulars	Revenues	Results	Assets	Liabilities*
Total of Reportable Segments	128,956,168	7,390,330	74,659,459	17,596,588
	128,112,153	23,010,139	73,265,565	21,122,426
Corporate – Unallocated (Net)	—	(2,014,399)	161,000,000	—
	—	(2,763,639)	161,000,000	—
Finance Cost	—	(499,171)	—	—
	—	(665,684)	—	—
Interest Income	128,772	128,772	—	—
	36,511	36,511	—	—
As per Financial Statements	129,084,940	5,005,532 @	235,659,459	17,596,588
	128,148,664	19,617,327@	234,265,565	21,122,426

Figures in normal font relate to previous year

*Excluding Shareholders' Funds

@ Profit before taxation.

IV Secondary Segment Reporting (by Geographical Segments)

(Amount in ₹)

	Domestic	Exports	Total
Revenues from operation	126,611,834	1,423,381	128,035,215
Total Assets	235,659,459	—	235,659,460
Capital Expenditure	5,592,490	—	5,592,490

Note 20 : Significant Accounting Policies and Notes on Accounts for the year ended 31st March, 2012

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

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
(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	4,050,532	15,707,327
Basic Earning per Share [(b)/(a)(iii)]- ₹.	<u>0.15</u>	<u>0.59</u>
(II) Diluted		
(a) Diluted Potential Equity Shares	-	-
(b) Diluted Earning per Share [(b)/(a)(iii)]- ₹.	0.15	0.59

8) Minimum Managerial Remuneration paid/payable

	2011-12		2010-11	
	(₹)	(₹)	(₹)	(₹)
(a) Wholetime Director's Remuneration:				
Salary	486,750		403,563	
Contribution to Provident Fund	58,410		48,428	
Contribution to Gratuity and Superannuation	21,582		19,412	
Other Benefits (actual and/or estimated)	<u>908,258</u>	1,475,000	<u>751,515</u>	1,222,918
(b) Other Directors				
Directors' Sitting Fees		<u>82,000</u>		<u>100,000</u>
		<u>1,557,000</u>		<u>1,322,918</u>

9) 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.

10) The Company has no amounts due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) as at 31.03.2012. 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 31.03.2012	Nil
f) Interest remaining due and payable as per Section 23 of the Act	Nil

Note 20 : Significant Accounting Policies and Notes on Accounts for the year ended 31st March, 2012

- 11) Defined Benefit Plans / Long Term Compensated Absences – as per Actuarial Valuations as on March 31, 2012 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	247,017 259,157	16,182 130,091
2 Interest Cost	40,206 21,728	25,213 12,786
3 Expected Return on Plan Assets	(26,883) (24,892)	— —
4 Curtailment Cost / (Credit)	— —	— —
5 Settlement Cost / (Credit)	— —	— —
6 Past Service Cost	— —	— —
7 Actuarial Losses / (Gains)	(209,346) (71,238)	91,760 26,831
8 Total expense recognized in the Statement of Profit & Loss	50,994 184,755	133,155 169,708
II Actuarial Returns for the period ended March, 2012	—	—
III Net Asset / (Liability) recognized in Balance Sheet as at March 31, 2012		
1 Present Value of Defined Benefit Obligation	550,888 473,011	254,837 296,625
2 Fair Value on Plan Assets	362,921 336,038	— —
3 Status [Surplus/(Deficit)]	(187,967) (136,973)	(254,837) (296,625)
4 Unrecognised Past Service Cost	— —	— —
5 Net Asset/(Liability) recognized in Balance Sheet	(187,967) (136,973)	(254,837) (296,625)

Note 20 : Significant Accounting Policies and Notes on Accounts for the year ended 31st March, 2012

(Amount in ₹)

	Gratuity (Funded)	Leave Encashment (Unfunded)
IV Change in Defined Benefit Obligations (DBO) during the year ended March 31, 2012		
1 Present Value of DBO at the Beginning of Period	473,011 263,364	296,625 154,987
2 Current Service Cost	247,017 259,157	16,182 130,091
3 Interest Cost	40,206 21,728	25,213 12,786
4 Curtailment Cost / (Credit)	— —	— —
5 Settlement Cost / (Credit)	— —	— —
6 Plan Amendments	— —	— —
7 Acquisitions	— —	— —
8 Actuarial (Gains)/Losses	(209,346) (71,238)	91,760 26,831
9 Benefits Paid	— —	(174,943) (28,070)
10 Present Value of DBO at the End of Period	550,888 473,011	254,837 296,625
V Change in Fair Value of Assets during the year ended March 31, 2012		
1 Plan Assets at the Beginning of Period	336,038 311,146	— —
2 Acquisition Adjustment	— —	— —
3 Expected Return on Plan Assets	26,883 24,892	— —
4 Actuarial Gains/(Losses)	— —	— —
5 Actual Company Contribution	— —	174,943 28,070
6 Benefits Paid	— —	(174,943) (28,070)
7 Present Value of DBO at the End of Period	362,921 336,038	— —

**Note 20 : Significant Accounting Policies and Notes on Accounts for the year ended 31st March, 2012**

VI Actuarial Assumptions			
1.	Discount Rate (%)	8.50%	8.50%
2.	Expected Return on Plan Assets (%)	8.00%	—
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

- 12) As required by AS – 29, on 'Provisions, Contingent Liabilities and Contingent Assets' the movement of provisions existing in the financial statements as on 31st March, 2012 are as under :

(Amount in ₹)

Particulars	Opening as at 1st April, 2011	Movements During the Year	Closing as at 31st March, 2012
Provision for Contingencies	— (—)	— (—)	— (—)
Provision for diminution in the Value of Investments	— —	— —	— —
Provision for Doubtful Debts	— —	— —	— —

Figures in normal font relate to previous year

- 13) Balances of Sundry Debtors, Sundry Creditors and Loans and Advances (Dr. & Cr.) are subject to confirmation from the respective parties.
- 14) 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

On behalf of the Board

Prashant Jhawar Chairman

Debjit Bhattacharya Whole-time Director

R. N. Chakraborty Company Secretary

Place : Kolkata

Dated : 9th May, 2012

Cash Flow Statement for the Year Ended 31st March, 2012

	For the year ended 31st March, 2012		For the year ended 31st March, 2011	
	(₹)	(₹)	(₹)	(₹)
A. Cash flow from Operating Activities :				
Net Profit / (Loss) before Taxation		5,005,532		19,617,327
Adjustments for :				
Depreciation	9,561,359		7,307,480	
Profit on Sale of Fixed Assets	(415)		-	
Interest Income	(128,772)		(36,511)	
Dividend Income	-		(528,974)	
Finance costs	499,171		665,684	
Provisions/Liabilities no longer required written back	(872,157)		(1,903,511)	
Provision for Gratuity/Leave Encashment	168,364		379,355	
Bad Debts / Sundry balances written off	1,296,992		67,917	
Unrealised Foreign Exchange (Gain)/Loss (net)	-	10,524,542	42,633	5,994,073
Operating profit before Working Capital changes		15,530,074		25,611,400
(Increase)/Decrease of Trade and other receivables	(2,051,434)		(11,403,044)	
Increase/(Decrease) of Current Liabilities and Other Provisions	(2,822,045)		10,289,539	
		(4,873,479)		(1,113,505)
Cash generated from/(used in) Operations		10,656,595		24,497,895
Direct taxes (paid)/refund (Net)		(3,415,707)		(3,964,572)
Net Cash from/(used in) Operating Activities		7,240,888		20,533,323
B. Cash flow from Investing Activities :				
Purchase of Fixed Assets	(5,592,490)		(23,737,492)	
Proceeds from Sale of Assets	190,761		-	
Investment in Subsidiary Company	-		(1,925,000)	
Interest received from Bank/Others	94,193		28,148	
Dividend received	-		528,974	

**Cash Flow Statement for the Year Ended 31st March, 2012**

	For the year ended 31st March, 2012		For the year ended 31st March, 2011	
	(₹)	(₹)	(₹)	(₹)
Net cash used in Investing Activities		(5,307,536)		(25,105,370)
C. Cash flow from Financing Activities :				
Finance costs	(499,171)		(665,684)	
Net Cash from Financing Activities		(499,171)		(665,684)
Net increase/(Decrease) in cash and cash equivalents		<u>1,434,181</u>		<u>(5,237,731)</u>
Cash and Cash Equivalents at the beginning of the year [Refer Note 12 to Accounts]		1,443,189		6,680,920
Cash and Cash Equivalents at the end of the year [Refer Note 12 to Accounts]		2,877,370		1,443,189
		<u>1,434,181</u>		<u>(5,237,731)</u>

Notes :

1. 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.
2. Notes referred to above form an integral part of the Cash Flow Statement.
3. 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 : 9th May, 2012

On behalf of the Board

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

AUDITORS' REPORT TO THE BOARD OF DIRECTORS ON THE CONSOLIDATED FINANCIAL STATEMENTS OF USHA MARTIN EDUCATION & SOLUTIONS LIMITED AND ITS SUBSIDIARIES

1. We have examined the attached consolidated Balance Sheet of **USHA MARTIN EDUCATION & SOLUTIONS LIMITED** and its subsidiary as at 31st March, 2012, the consolidated Statement of Profit & Loss for the year ended 31st March 2012 and also the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes
 - (a) examining, on a test basis, evidence to support the financial statement amounts and disclosures in the financial statement;
 - (b) assessing the accounting principles used in the preparation of financial statements;
 - (c) assessing significant estimates made by the management in the preparation of the financial statements and
 - (d) evaluating overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets of ₹ 10,716,853 as at 31st March 2012. These financial statements have been audited by other auditors whose report has been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the subsidiary, is based solely on the report of the other auditor.
4. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirement of Accounting Standard (AS) 21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of **M/s USHA MARTIN EDUCATION & SOLUTIONS LIMITED** and its subsidiary included in the consolidated financial statements.
5. On the basis of the information and explanation given to us and on the consideration of the separate audit reports on individual audited financial statements of **M/s USHA MARTIN EDUCATION & SOLUTIONS LIMITED** and its aforesaid subsidiary we are of the opinion that
 - a) The Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of **M/s USHA MARTIN EDUCATION & SOLUTIONS LIMITED** and its subsidiary as at 31st March 2012; and
 - b) The Consolidated Statement of Profit & Loss gives a true and fair view of the consolidated results of operation of **M/s USHA MARTIN EDUCATION & SOLUTIONS LIMITED** and its subsidiary for the year then ended.
 - c) The consolidated cash flow statement, of the cash flows of **M/s USHA MARTIN EDUCATION & SOLUTIONS LIMITED** and its subsidiary for the year ended on that date.

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

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

Place : Kolkata
Date : May 9, 2012

**Consolidated Balance Sheet as at 31st March, 2012**

Particulars	Note No.	As at 31st March, 2012 (Amount in ₹)	As at 31st March, 2011 (Amount in ₹)
I EQUITY AND LIABILITIES			
1) Shareholders' Funds			
(a) Share Capital	1	26,415,811	26,415,811
(b) Reserves and Surplus	2	185,266,189	180,828,625
2) Non - Current Liabilities			
(a) Long Term Provisions	3	681,192	588,030
3) Current Liabilities			
(a) Trade Payables	4	17,209,836	12,388,857
(b) Other Current Liabilities	5	4,127,868	10,502,042
(c) Short Term Provisions	6	7,175,416	6,243,223
TOTAL		240,876,312	236,966,588
II ASSETS			
1) Non - Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	7	40,175,370	42,346,485
(ii) Intangible Assets		2,165,034	2,141,861
(b) Non-Current Investments	8	155,000,000	155,000,000
(c) Long Term Loans and Advances	9	7,414,698	6,900,176
(d) Other Non- Current Assets	10	1,165,873	1,498,810
2) Current Assets			
(a) Trade Receivables	11	15,805,334	14,318,644
(b) Cash and Cash Equivalents	12	2,968,852	1,594,693
(c) Short Term Loans and Advances	13	15,805,273	12,775,120
(d) Other Current Assets	14	375,878	390,799
TOTAL		240,876,312	236,966,588

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 : 9th May, 2012

The Notes referred to above form an integral part of the 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, 2012

Particulars	Note No.	For the Year Ended 31st March, 2012 (Amount in ₹)	For the Year Ended 31st March, 2011 (Amount in ₹)
I Revenue			
Revenue from Operations	15	158,335,215	146,678,584
Other Income	16	1,814,681	2,470,080
II Total Revenue		<u>160,149,896</u>	<u>149,148,664</u>
III Expenses			
Employee Benefit Expense	17	50,124,070	45,397,650
Finance Costs	18	1,244,970	665,684
Depreciation and Amortization Expense		10,146,621	7,693,766
Operating and Administrative Expenses	19	93,161,671	75,470,649
IV Total Expenses		<u>154,677,332</u>	<u>129,227,749</u>
V Profit before Tax		5,472,564	19,920,915
VI Tax Expense:			
Current Tax		1,035,000	3,970,960
VII Profit / (Loss) after tax		<u>4,437,564</u>	<u>15,949,955</u>
Earnings per Equity Share:			
(1) Basic		0.17	0.60
(2) Diluted		0.17	0.60
Significant Accounting Policies and Notes on Accounts	20		

This is the Consolidated Statement of Profit & Loss 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 : 9th May, 2012

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

On behalf of the Board

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

**Notes forming part of Consolidated Balance Sheet**

	As at 31st March, 2012 (Amount in ₹)	As at 31st March, 2011 (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	50,000,000	50,000,000
	<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 ₹ 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 Re. 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 31.03.2012	% of Equity Shares as on 31.03.2012	No. of Equity Shares as on 31.03.2011	% of Equity Shares as on 31.03.2011
Umil Share & Stock Broking Services Ltd	3,075,127	11.64	3,075,127	11.64
Usha Martin Finance Limited	-	-	2,666,218	10.09
Peterhouse Investment India Limited	2,968,718	11.24	115,500	0.44
Peterhouse Investment Limited	2,388,291	9.04	2,388,291	9.04
Prajeiv 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, 2012 (Amount in ₹)	As at 31st March, 2011 (Amount in ₹)
Note : 2 - RESERVE AND SURPLUS		
Securities Premium Account		
As per last Account	120,249	230,862,705
Less: Utilised for reduction in value of Investments	-	230,742,456
	<u>120,249</u>	<u>120,249</u>
Capital Redemption Reserve		
As per last Account	-	50,000,000
Less: Utilised for reduction in value of Investments	-	50,000,000
	<u>-</u>	<u>-</u>
General Reserve Account (see note below)		
As per last Balance Sheet	180,708,376	164,758,421
Add: Transfer from Statement of Profit & Loss	4,437,564	15,949,955
	<u>185,145,940</u>	<u>180,708,376</u>
	<u>185,266,189</u>	<u>180,828,625</u>
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 in 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.		
Note : 3 - Long Term Provisions		
Provision for Employee benefit		
- Gratuity (Funded)	349,998	301,953
- Leave Encashment (Un-funded)	331,194	286,077
	<u>681,192</u>	<u>588,030</u>
Note : 4 - Trade Payables		
For Micro and Small Enterprises		
	-	-
For Suppliers / Services	13,155,732	12,126,746
Accrued Expenses	4,054,104	262,111
	<u>17,209,836</u>	<u>12,388,857</u>
Note : 5 - Other Current Liabilities		
Advance Received from Customers	370,350	5,653,868
Other Payables		
Statutory Dues	935,194	1,734,206
Capital Goods	251,249	361,402
Employees related liability	2,571,075	2,752,566
	<u>4,127,868</u>	<u>10,502,042</u>
Note : 6 - Short Term Provisions		
Provisions for Taxation	7,151,492	6,202,292
Provision for Employee benefit		
- Gratuity (Funded)	11,492	30,383
- Leave Encashment (Un-funded)	12,432	10,548
	<u>7,175,416</u>	<u>6,243,223</u>

Notes forming part of Consolidated Balance Sheet
Note - 7 Fixed Assets [Refer Point 2 (b) on Note20]
(Figs. in ₹)

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Balance as at 31st March, 2011	Additions	Sales / adjustments during the year	Balance as at 31st March, 2012	As at 31st March, 2011	Depreciation Charges for the Year	Sales / Adjustments during the year	Balance as at 31st March, 2012	Balance as at 31st March, 2012	Balance as at 31st March, 2011
A. Tangible Assets										
Building	10,505,757	374,422	-	10,880,179	75,013	172,765	-	247,778	10,632,401	10,430,744
Plant and Equipment	21,605,663	1,690,131	8,320	23,287,474	11,279,532	6,735,339	8,030	18,006,841	5,280,633	10,326,131
Office Equipment	4,106,060	769,359	-	4,875,419	405,666	348,599	-	754,265	4,121,154	3,700,394
Furniture & Fixtures	19,382,336	3,826,089	19,238	23,189,187	2,733,487	1,664,580	2,443	4,395,624	18,793,563	16,648,849
Vehicles	1,962,199	426,930	428,065	1,961,064	721,832	146,417	254,804	613,445	1,347,619	1,240,367
	57,562,015	7,086,931	455,623	64,193,323	15,215,530	9,067,700	265,277	24,017,953	40,175,370	42,346,485
B. Intangible Assets										
Software	3,388,905	1,102,094	-	4,490,999	1,247,044	1,078,921	-	2,325,965	2,165,034	2,141,861
	3,388,905	1,102,094	-	4,490,999	1,247,044	1,078,921	-	2,325,965	2,165,034	2,141,861
Previous Year	35,450,663	30,766,666	5,266,409	60,950,920	8,768,808	7,693,766	-	16,462,574	44,888,346	44,888,346

Notes forming part of Consolidated Balance Sheet

NOTE : 8- Non-Current Investments

Name of the Body Corporate	Subsidiary/ Associate/JV/ Controlled Entity/Others	No. of Shares		Quoted/ Unquoted	Party Paid/ Fully Paid	Extent of Holding		Whether Stated at Cost	As at 31st March, 2012 (Amount in ₹)	As at 31st March, 2011 (Amount in ₹)
		2012	2011			2012	2011			
i) Ushs Communications Technology Limited, British Virgin Islands		9,396,097	9,396,097	Unquoted	Fully Paid up			Cost	55,000,000	55,000,000
ii) Redtech Network India Private Limited (Formerly, Boniss Network India Private Limited)		528,974	528,974	Unquoted	Fully Paid up			Cost	100,000,000	100,000,000
Aggregate Amount of Unquoted Investment									155,000,000	155,000,000

**Notes on Consolidated Balance Sheet as at 31st March, 2012**

	As at 31st March, 2012 (Amount in ₹)	As at 31st March, 2011 (Amount in ₹)
Note : 9 - Long Term Loans and Advances		
Security Deposits (Unsecured considered good unless otherwise stated)		
Considered Good	5,893,935	5,893,935
Considered Doubtful	-	-
Other Loans and Advances (Recoverable in cash or in kind or for value to be received)		
Prepaid expenses	1,520,763	1,006,241
	<u>7,414,698</u>	<u>6,900,176</u>
Note : 10 - Other Non-Current Assets		
Fixed Deposit with Bank	500,000	500,000
(with IDBI Bank Ltd. for availing Working Capital Facility)		
Pre-Operative Expenses	665,873	998,810
	<u>1,165,873</u>	<u>1,498,810</u>
Note : 11 - Trade Receivables		
(Unsecured considered good unless otherwise stated)		
Outstanding for a period exceeding six months	-	-
Considered Good	-	-
Considered Doubtful	-	-
Provision for doubtful receivables	-	-
Other Receivables		
Considered Good	15,805,334	14,318,644
Considered Doubtful	-	-
	<u>15,805,334</u>	<u>14,318,644</u>
	<u>15,805,334</u>	<u>14,318,644</u>

Notes forming part of Consolidated Balance Sheet

	As at 31st March, 2012 (Amount in ₹)	As at 31st March, 2011 (Amount in ₹)
Note : 12 - Cash and Cash Equivalents		
Cash on Hand	100,659	89,322
Balances with Banks	1,716,206	1,266,024
Cash Credit Account (For Security refer Point No. 2 of Note- 20)	1,151,987	239,347
Fixed Deposit with Bank (with IDBI Bank Ltd. for availing Working Capital Facility)	500,000	500,000
Less: Non Current portion transferred to Other Non-Current Assets	<u>500,000</u>	<u>500,000</u>
	<u>2,968,852</u>	<u>1,594,693</u>

Note : 13 - 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	13,969,217	9,898,782
Advance against supplies of Goods and Services	410,040	2,031,036
Prepaid Expenses	956,755	533,786
Advance /Loans to Employees	469,261	311,516
	<u>15,805,273</u>	<u>12,775,120</u>

Note : 14 - Other Current Assets

Interest Receivable	42,942	8,363
Pre-Operative Expenses	332,936	332,936
Others	-	49,500
	<u>375,878</u>	<u>390,799</u>

**Notes forming part of Consolidated Statement of Profit and Loss**

	For the Year Ended 31st March, 2012 (Amount in ₹)	For the Year Ended 31st March, 2011 (Amount in ₹)
Note : 15 - Revenue from Operations		
Income from Learning Business (Tax deducted at Source ₹. 3,529,217/- , Previous Year ₹. 4,335,773/-)	151,185,661	134,080,886
Consultancy and Job work Income (Tax deducted at Source ₹. 781,679/-, Previous Year ₹. 1,204,089/-)	7,149,554	12,597,698
	<u>158,335,215</u>	<u>146,678,584</u>
Note : 16 - Other Income		
Interest Income on		
Bank (Tax deducted at Source ₹. 9,084/- , Previous Year ₹. 2,289/-)	128,772	36,511
Ohters (Tax deducted at Source ₹. 72,110/-, Previous Year ₹. nil.)	721,096	-
Liabilities no longer required written back	916,017	1,854,011
Provision for Doubtful Debts no longer required written back	-	49,500
Income from Dividend	-	528,974
Prior period Income	929	-
Foreign Exchange Fluctuation Gain (Net)	47,452	-
Profit on Sale of Fixed Assets	415	-
Miscellaneous receipts	-	1,084
	<u>1,814,681</u>	<u>2,470,080</u>
Note : 17 - Employee Benefit expense		
Salaries and Bonus	47,213,366	42,900,874
Contribution to Provident Fund and other Funds	2,394,360	1,866,970
Staff Welfare Expenses	516,344	6,29,806
	<u>50,124,070</u>	<u>45,397,650</u>
Note : 18 - Finance Costs		
(No Borrowing Cost has been Capitalized during the year)		
Interest on Working Capital Loan from Bank	318,974	35,064
Other Borrowing Cost	910,473	569,955
Others	15,523	60,665
	<u>1,244,970</u>	<u>665,684</u>

Notes forming part of Consolidated Statement of Profit and Loss

For the Year Ended
31st March, 2012
(Amount in ₹)

For the Year Ended
31st March, 2011
(Amount in ₹)

Note : 19 - Operating and Administrative Expenses

Travelling and Conveyance		5,846,632		4,536,271
Communication		2,113,136		2,421,951
Power		4,298,470		3,847,415
Maintenance expenses		7,032,029		5,988,506
Rent		7,717,216		6,339,221
Lease Rent		300,000		300,000
Insurance		555,782		175,791
Computer Consumables		571,678		282,471
Co- Curricular Activities		1,332,800		1,120,544
Professional and Consultancy charges		21,077,432		14,267,538
Legal and Secreterial		670,283		1,294,654
Marketing and Advertisement		21,831,893		18,401,314
Business Development		96,504		425,510
Printing and Stationery		1,633,314		1,848,321
Facility Management Services		4,643,236		5,227,773
Donation		100,000		-
Brokerage/ Commission		490,000		465,000
Hire charges		4,930,525		2,400,431
Recruitment expenses		413,051		1,066,629
Registration and Courseware		1,980,671		1,937,214
Directors Meeting Fees		82,000		100,000
Pre-Operative Expenses written Off		332,936		332,936
Auditors' Remuneration				
For Statutory Audit	115,000		70,000	
For Tax Audit	<u>40,000</u>	155,000	<u>20,000</u>	90,000
Rates and Taxes		252,200		5,000
Bank Charges		112,054		88,187
Foreign Exchange Fluctuation Loss (Net)		-		42,633
Bad Debts/Sundry Balances written off		1,636,992		107,545
Miscellaneous Expenses		2,955,837		2,357,794
		<u>93,161,671</u>		<u>75,470,649</u>



Note 20 : Significant Accounting policies and Notes on Accounts for the year ended 31st March, 2012

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, 1956 (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.

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 will be 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 is provided using straight-line method (SLM) at the rates prescribed in schedule XIV of the Companies Act 1956, other than Computer & Computer Software and Laptops provided to students which are also depreciated under SLM over a period of 3 years and 2 years respectively.

Further individual assets costing less than Rupees Five Thousands are depreciated in full in the year of purchase. Depreciation on additions and deletions to fixed assets is provided on a pro-rata basis.

Note 20 : Significant Accounting policies and Notes on Accounts for the year ended 31st March, 2012**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 software services and consultancy is recognized as follows:

- The revenue from time and material contracts is recognized on the basis of the time spent and materials consumed as per the terms of the contract.
- In case of fixed price contracts revenue is recognized on percentage completion basis based on milestones defined in the contract. Foreseeable losses, if any, on contract completion is provided for.

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 & 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 20 : Significant Accounting policies and Notes on Accounts for the year ended 31st March, 2012

(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.

i) 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 expenses 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 are to be 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.

2) During the year, the Company has renewed 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. As on 31st March, 2012 there was no outstanding balance on the working capital facility as provided by IDBI Bank Ltd.

3) Power and Communication expenses include ₹. 1,36,682 and ₹. 3,370 respectively relating to earlier year.

4) Foreign Currency Earnings & Outgo :

a) Expenditure in foreign currency :

	2011-12 (₹)	2010-11 (₹)
Listing Fees	168,125	165,294
Foreign Travel	420,024	-

b) Earnings in foreign currency:

	2011-12 (₹)	2010-11 (₹)
Reimbursement of Expenses against services for setting of Education Centre / Income from Research report on Education.	1,423,381	6,973,000

Note 20 : Significant Accounting policies and Notes on Accounts for the year ended 31st March, 2012

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 -
Redtech Network India Private Limited	- do -
Rahul Choudhary	Key Managerial Personnel
Debjit Bhattacharya (Whole-time Director)	Key Managerial Personnel

ii) Particulars of Transactions during the year ended 31st March, 2012

Particulars (excluding Reimbursement)	Subsidiaries and Associates (₹)	Key Management Personnel (₹)
Rent paid (including lease rent)	660,000	—
	660,000	—
Directors' Remuneration	—	1,475,000
	—	1,222,918
Income from Consultancy / Manpower	6,000,000	—
	6,800,000	—
Investment in Usha Martin Education Private Limited	—	—
	1,925,000	—
Balances outstanding at the year end		
Usha Martin Ltd.- Lease Rent	—	—
	300,000	—
Investments in Equity and Preference Shares	Refer Note No.8 to Accounts	—
	- do-	

Figures in normal font relate to previous year

6) The Segment Information for the year ended 31st March, 2012

I (a) The Company is engaged in two main business segments:

- Software business and Consultancy comprising of software development and support services
- Learning business comprising of learning solutions in the area of Technology & Management.

(b) During the year there were no inter-segment revenues.

**Note 20 : Significant Accounting policies and Notes on Accounts for the year ended 31st March, 2012**

II Segment Revenues, Results and Other Information

(Amount in ₹)

Particulars	Software & Consultancy	Learning	Total
Revenue from Operations	7,149,554 12,597,698	151,185,661 134,080,886	158,335,215 146,678,584
Other Income	155,728 2,125,213	1,658,953 344,867	1,814,681 2,470,080
Segment Revenues	7,305,282 14,722,911	152,844,614 134,425,753	160,149,896 149,148,664
Segment Results [Profit/(Loss) before interest, taxation and un-allocable expenditure]	2,793,892 7,930,960	5,088,173 15,382,766	7,882,065 23,313,726
Segment Assets	561,179 2,681,667	83,816,324 77,453,175	84,377,503 80,134,844
Segment Liabilities	2,183,944 2,328,070	19,858,878 21,191,794	22,042,822 23,519,864
Capital Expenditure	— —	8,189,025 30,766,666	8,189,025 30,766,666
Depreciation	52,662 202,263	10,093,959 7,491,503	10,146,621 7,693,766

III Reconciliation of Reportable Segments with the Financial Statements

(Amount in ₹)

Particulars	Revenues	Results	Assets	Liabilities*
Total of Reportable Segments	159,300,028 149,112,153	7,882,065 23,313,727	84,377,503 80,134,844	22,042,822 23,519,864
Corporate – Unallocated (Net)	— —	(2,014,399) (2,763,639)	155,500,000 155,500,000	— —
Finance Cost	— —	(1,244,970) (665,684)	— —	— —
Interest Income	849,868 36,511	849,868 36,511	— —	— —
As per Financial Statements	160,149,896 149,148,664	5,472,564 @ 19,920,915@	239,877,503 235,634,844	22,042,822 23,519,864

Figures in normal font relate to previous year

*Excluding Shareholders' Funds

@ Profit before taxation.

Note 20 : Significant Accounting policies and Notes on Accounts for the year ended 31st March, 2012

IV Secondary Segment Reporting (by Geographical Segments)

(Amount in ₹)

	Domestic	Exports	Total
Revenues from operation	156,911,834	1,423,381	158,335,215
Total Assets	240,876,313	-	240,876,313
Capital Expenditure	8,189,025	-	8,189,025

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

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
(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	4,437,564	15,949,955
Basic Earning per Share [(b)/(a)(iii)]- ₹.	<u>0.17</u>	<u>0.60</u>
(II) Diluted		
(a) Diluted Potential Equity Shares	-	-
(b) Diluted Earning per Share [(b)/I(a)(iii)]- ₹.	0.17	0.60

8) Minimum Managerial Remuneration paid/payable

	(₹)	2011-12 (₹)	(₹)	2010-11 (₹)
(a) Whole-time Director's Remuneration:				
Salary	486,750		403,563	
Contribution to Provident Fund	58,410		48,428	
Contribution to Gratuity and Superannuation	21,582		19,412	
Other Benefits (actual and/or estimated)	<u>908,258</u>	1,475,000	<u>751,515</u>	1,222,918
(b) Other Directors				
Directors' Sitting Fees		82,000		100,000
		<u>1,557,000</u>		<u>1,322,918</u>

**Note 20 : Significant Accounting policies and Notes on Accounts for the year ended 31st March, 2012**

- 9) 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.
- 10) The Company has no amounts due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) as at 31.03.2012. 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 31.03.2012	Nil
f) Interest remaining due and payable as per Section 23 of the Act	Nil

- 11) Defined Benefit Plans / Long Term Compensated Absences – as per Actuarial Valuations as on March 31, 2012 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	247,017 259,157	16,182 130,091
2 Interest Cost	40,206 21,728	25,213 12,786
3 Expected Return on Plan Assets	(26,883) (24,872)	– –
4 Curtailment Cost / (Credit)	– –	– –
5 Settlement Cost / (Credit)	– –	– –
6 Past Service Cost	– –	– –
7 Actuarial Losses / (Gains)	(209,346) (71,238)	131,826 26,831
8 Total expense recognized in the Statement of Profit & Loss	50,994 184,755	173,221 169,708
II Actuarial Returns for the year ended March, 2012	–	–

Note 20 : Significant Accounting policies and Notes on Accounts for the year ended 31st March, 2012

	Gratuity (Funded)	Leave Encashment (Unfunded)
III Net Asset / (Liability) recognized in Balance Sheet as at March 31, 2012		
1 Present Value of Defined Benefit Obligation	550,888 473,011	294,903 296,625
2 Fair Value on Plan Assets	362,921 336,038	— —
3 Status [Surplus/(Deficit)]	(187,967) (136,973)	(294,903) (296,625)
4 Unrecognised Past Service Cost	— —	— —
5 Net Asset/(Liability) recognized in Balance Sheet	(187,967) (136,973)	(294,903) (296,625)
IV Change in Defined Benefit Obligations (DBO) during the year ended March 31, 2012		
1 Present Value of DBO at the Beginning of Period	473,011 263,364	296,625 154,987
2 Current Service Cost	247,017 259,157	16,182 130,091
3 Interest Cost	40,206 21,728	25,213 12,786
4 Curtailment Cost / (Credit)	— —	— —
5 Settlement Cost / (Credit)	— —	— —
6 Plan Amendments	— —	— —
7 Acquisitions	— —	— —
8 Actuarial (Gains)/Losses	(209,346) (71,238)	131,826 26,831
9 Benefits Paid	— —	(174,943) (28,070)
10 Present Value of DBO at the End of Period	550,888 473,011	294,903 296,625

Note 20 : Significant Accounting policies and Notes on Accounts for the year ended 31st March, 2012

(Amount in ₹)

	Gratuity (Funded)	Leave Encashment (Unfunded)
V Change in Fair Value of Assets during the year ended March 31, 2012		
1 Plan Assets at the Beginning of Period	336,038 311,146	— —
2 Acquisition Adjustment	— —	— —
3 Expected Return on Plan Assets	26,883 24,892	— —
4 Actuarial Gains/(Losses)	— —	— —
5 Actual Company Contribution	— —	174,943 28,070
6 Benefits Paid	— —	(174,943) (28,070)
7 Present Value of DBO at the End of Period	362,921 336,038	— —
VI Actuarial Assumptions		
1. Discount Rate (%)	8.50%	8.50%
2. Expected Return on Plan Assets (%)	8.00%	—
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

Note 20 : Significant Accounting policies and Notes on Accounts for the year ended 31st March, 2012

- 12) As required by AS – 29, on 'Provisions, Contingent Liabilities and Contingent Assets' the movement of provisions existing in the financial statements as on 31st March, 2012 are as under :

(Amount in ₹)

Particulars	Opening as at 1st April, 2011	Movements During the Year	Closing as at 31st March, 2012
Provision for Contingencies	— (—)	— (—)	— (—)
Provision for diminution in the Value of Investments	— —	— —	— —
Provision for Doubtful Debts	— —	— —	— —

Figures in normal font relate to previous year.

- 13) Balances of Sundry Debtors, Sundry Creditors and Loans and Advances (Dr. & Cr.) are subject to confirmation from the respective parties.
- 14) 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 : 9th May, 2012

On behalf of the Board

Prashant Jhawar

Chairman

Debjit Bhattacharya

Whole-time Director

R. N. Chakraborty

Company Secretary

**Consolidated Cash Flow Statement for the year ended 31st March, 2012**

	For the year ended 31st March, 2012		For the year ended 31st March, 2011	
	(₹)	(₹)	(₹)	(₹)
A. Cash flow from Operating Activities :				
Profit after Non-recurring items and before Taxation		5,472,564		19,920,915
Adjustments for :				
Depreciation	10,146,621		7,693,766	
Profit on Sale of Fixed Assets	(415)			
Pre-Operative Expenses written -off	332,936		332,936	
Interest Income	(849,868)		(36,511)	
Dividend Income	-		(528,974)	
Finance costs	1,244,970		665,684	
Provisions/Liabilities no longer required written back	(916,017)		(1,903,511)	
Provision for Gratuity/Leave Encashment	208,430		379,355	
Bad Debts / Sundry balances written off	1,636,992		107,545	
Unrealised Foreign Exchange (Gain)/Loss (net)	-	11,803,649	42,633	6,752,923
Operating profit before Working Capital changes		17,276,213		26,673,838
(Increase)/Decrease of Trade and other receivables	(2,548,422)		(11,533,792)	
Increase/(Decrease) of Current Liabilities and Other Provisions	(769,453)		11,248,675	
		(3,317,875)		(285,117)
Cash generated from/ Operations		13,958,339		26,388,721
Direct taxes (paid)/refund (Net)		(4,156,235)		(6,280,871)
Net Cash from/(used in) Operating Activities		9,802,104		20,107,850
B. Cash flow from Investing Activities :				
Purchase of Fixed Assets	(8,189,025)		(25,500,257)	
Proceeds from Sale of Assets	190,761		-	
Interest received from Bank/Others	815,289		28,148	
Dividend received	-		528,974	

Consolidated Cash Flow Statement for the year ended 31st March, 2012

	For the year ended 31st March, 2012		For the year ended 31st March, 2011	
	(₹)	(₹)	(₹)	(₹)
Net Cash from Investing Activities before Non-recurring items.	(7,182,975)		(24,943,135)	
Net cash used in Investing Activities		(7,182,975)		(24,943,135)
C. Cash flow from Financing Activities :				
Finance costs	(1,244,970)		(665,684)	
Net Cash used in Financing Activities		(1,244,970)		(665,684)
Net increase in cash and cash equivalents during the year (A+B+C)		<u>1,374,159</u>		<u>(5,500,969)</u>
Cash and Cash Equivalents at the beginning of the year		1,594,693		7,095,662
[Refer Note 12 to Accounts]				
Cash and Cash Equivalents at the end of the year		2,968,852		1,594,693
[Refer Note 12 to Accounts]				
		<u>1,374,159</u>		<u>(5,500,969)</u>

Notes :

1. 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.
2. Notes referred to above form an integral part of the Cash Flow Statement.
3. 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 : 9th May, 2012

On behalf of the Board

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



Statement giving financial information of Subsidiary Companies for the year ended 31st March, 2012 as required in the approval letter received from the Ministry of Corporate Affairs, New Delhi, under Section 212(8) of the companies Act, 1956

Sl No.	Particulars	Usha Martin Education Pvt. Ltd.
1.	Share Capital	5,500,010
2.	Reserve & Surplus	629,659
3.	Non- Current Liabilities	38,115
4.	Current Liabilities	4,549,069
5.	Total Liabilities	10,716,853
6.	Total Assets	10,716,853
7.	Investments - Long Term (excluding investments in Subsidiaries)	Nil
8.	Turnover (Net)	31,064,956
9.	Profit / (Loss) before Taxation	467,032
10.	Provision for Taxation	80,000
11.	Profit / (Loss) after Taxation	387,032
12.	Paid / Proposed Dividend	Nil
Currency of the subsidiary		INR

Place : Kolkata
Dated : 9th May, 2012

On behalf of the Board of Directors

Prashant Jhavar Chairman
Debjit Bhattacharya Whole-time Director

USHA MARTIN EDUCATION & SOLUTIONS LIMITED

Regd. Office : 2A, Shakespeare Sarani, Kolkata 700 071

PROXY FORM

I/We of being a member (s) of Usha Martin Education & Solutions Limited, hereby appoint of or failing him of or failing him of as my / our Proxy to attend and vote for me and on my/our behalf at the 15th Annual General Meeting of the Company to be held at "Sripati Singhanian Hall", Rotary Sadan, 94/2, Jawaharlal Nehru Road, Kolkata-700 020 on Wednesday, 1st day of August, 2012 at 2.30 P.M. and at any adjournment thereof. Signed this day of Two Thousand twelve.

Signature(s) of the Shareholder(s).....

DP ID No.....

Folio No. / Client ID No.....

No. of Shares.....

Affix
Revenue
Stamp

Note : This form must be deposited at the Registered Office of the Company not later than 48 hours before the time for holding the meeting.



USHA MARTIN EDUCATION & SOLUTIONS LIMITED

Regd. Office : 2A, Shakespeare Sarani, Kolkata 700 071

ADMISSION SLIP

DP ID No.....

Folio No./ Client ID No.....

No. of Shares.....

I certify that I am the registered Shareholder/Proxy for the registered shareholder of the Company, I hereby record my presence at the 15th Annual General Meeting of the Company to be held at "Sripati Singhanian Hall", Rotary Sadan, 94/2, Jawaharlal Nehru Road, Kolkata-700 020 on Wednesday, 1st day of August, 2012 at 2.30 P.M. and at any adjournment thereof.

Name of the Shareholder/Proxy
In BLOCK LETTERS

Signature of the Shareholder/Proxy

Note : Please fill this admission slip and hand it over at the entrance of the hall.