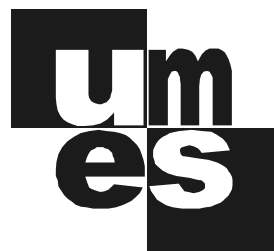


19th
ANNUAL
REPORT
2016



USHA MARTIN EDUCATION & SOLUTIONS LIMITED



CORPORATE INFORMATION

Chairman

Shri Prashant Jhawar

Vice-Chairman

Shri Rajeev Jhawar

Directors

Shri Subrata Kumar Mitra

Shri Rameshwar Pal Agrawal

Shri Trivikram Khaitan

Shri Rahul Choudhary

Shri Debjit Bhattacharya

Smt Gangotri Guha

Shri Vinay Kumar Gupta - Whole-time Director

Company Secretary

Dr. R. N. Chakraborty

Chief Financial Officer

Shri Indrajit Bandyopadhyay

Bankers

IDBI Bank Ltd.

IndusInd Bank Ltd.

Axis Bank Ltd.

Auditors

M/s. S. Swarup & Co.

21, Hemanta Basu Sarani, 3rd Floor,

Room No. 303, Kolkata - 700 001

Registered Office

CIN : L31300WB1997PLC085210

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

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

Tel.: +91 33 3322 3700, Fax: +91 33 3322 3800

Website : www.umesl.co.in

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

Registrar and Transfer Agent

MCS Share Transfer Agents Limited

12/1/5, Manoharpukur Road,

Ground Floor, Kolkata - 700026.

Tel.: 033-4072 4051/4052/4053

Fax : 033-4072 4050

E-mail: mcssta@rediffmail.com



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DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting the 19th Annual Report, together with the Audited Statement of Accounts of the Company for the financial year ended 31st March, 2016.

Financial Results

(₹ in Lakh)

Particulars	Standalone		Consolidated	
	Year ended 31.3.2016	Year ended 31.3.2015	Year ended 31.3.2016	Year ended 31.3.2015
Gross Income	139.68	350.16	156.16	367.36
Gross Profit/(loss) before Finance Cost and Depreciation	(237.04)	(96.80)	(234.64)	(95.43)
Less: Finance Cost	29.63	21.25	29.63	21.25
Less: Depreciation	23.98	29.29	23.98	29.29
Profit/(loss) for the year	(290.65)	(147.34)	(288.25)	(145.97)
Less Provision for Tax (Net)	–	–	0.72	0.44
Profit/(loss) After Tax	(290.65)	(147.34)	(288.97)	(146.41)
Transfer to Reserves and Surplus	(290.65)	(147.34)	(288.97)	(146.41)

Financial Review

During the Financial Year ended 31st March 2016, your company recorded standalone revenue of ₹. 139.68 Lakhs, considerably lower as compared to the previous financial year. Consolidated revenue for the current financial year is ₹. 156.16 Lakhs, which also follows the same trend.

Dividend

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

Reserve and Surplus

The balance of Reserves and Surplus, as at 31st March, 2016 stands at ₹. 1387.59 Lakhs after making the appropriations indicated above.

Subsidiary

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

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

Consolidated Financial Statements

The Audited Consolidated Financial Statements based on the Financial Statements received from subsidiary company, as approved by its Board of Directors, have been prepared in accordance with the Accounting Standard 21 (AS-21) – Consolidated Financial Statements as notified under Section 129 (3) of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 as applicable. Further, the Consolidated Financial Statements are also presented in accordance with Regulation 33 of the SEBI (Listing Obligation and Disclosures Requirement) Act, 2015 entered into with the stock exchanges where the shares of the company are listed.

Public Deposit

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

Particulars of Loans, Guarantees or Investments:

The company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013.

The details of the investments made by company are given in the notes to the financial statements.

Internal Control Systems and their adequacy:

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

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

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

Corporate Social Responsibility initiatives

Your Company does not fulfill the criteria for making contribution towards corporate social responsibility as directed by The Companies (Corporate Social Responsibility Policy) Rule, 2014. However, as a responsible entity of the country we respect society value and make endeavor to contribute for the societal cause as far as possible.

Directors

During the year under review there was no change in the Directorship status of the Company. However, in the subsequent period during the 1st half of 2016-17, significant changes took place in the Board.

Mr. Debjit Bhattacharya, the erstwhile Whole Time Director of the Company, expressed his inability to continue as the Whole time Director, due to his other pressing commitments. However, he has agreed to continue in the Board as a Non-Executive member, showing his commitment and goodwill towards the Company.

Board with great reluctance accepted his resignation as the Whole time Director. Board placed their huge appreciation for the contributions made by Shri Bhattacharya during his tenure as the Whole Time Director and wished him all the success in his future endeavour. However, Board also welcomed Shri Bhattacharya's good gesture to continue as a Non-Executive Director and recommend his appointment.

Shri Vinay Kumar Gupta is an Associate Member of Institute of the Chartered Accountants of India with more than 13 years of experience. He has vast experience of working in various industry verticals. Prior to joining the Company, he has served prestigious companies like Century Plyboards (India) Limited, Hiland Group etc. .

He is associated with this Company for the past 6 years. With effect from January 2015 he was the Chief Financial Officer of the Company. He has an extensive knowledge about the Company and it's working from all perspective.

Upon resignation of Shri Debjit Bhattacharya from the position of Whole Time Director, Board thinks that Shri Vinay Kumar Gupta is the fittest person to be appointed as the Whole time Director and hence recommend the appointment.

Accordingly suitable resolutions were put in the Notice of the Annual General Meeting to give effect to the appointments.

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

Subsequent to the appointment of Shri Vinay Kumar Gupta as the Whole Time Director of the Company, Shri Indrajit Bandyopadhyay has been appointed as the Chief Financial Officer by the Board at its meeting held on 28th June 2016. Shri Bandyopadhyay is associated with the Company for past several years in various position. He was the Dean of Usha Martin Academy, Kolkata. Presently, he is the Head-Operation of the Company. He is holding his qualification in finance sector. He has sound knowledge in accounts and other statutory compliances.

• Declaration of Independence

The Independent Directors have submitted their declaration of Independence, as per the Companies Act, 2013 and Regulation 25 of the Listing Agreement, to the Board at the first Board Meeting of this current Financial Year.

• Board Evaluation:

You are aware that, in compliance with the Companies Act, 2013, your Board on its Meeting held on 29th January 2015, has adopted a Policy for evaluation of itself alongwith all its committees and all the Directors individually.

According to the policy, a comprehensive evaluation was done to assess the Board's performance as well as working of all its committees as well as working of all its committees in its first Board Meeting held after the end of Financial Year 2015-16. The evaluation also included personal evaluation of individual Directors. The Directors provided their opinion and feedback on the questionnaire on secret ballot.

The Board noted the outcome of the evaluation and expects better governance in the Board's working for the coming period.

• Remuneration Policy

The earlier Remuneration Committee of the Company was renamed as The Nomination and Remuneration Committee. The Committee has been re-constituted in line with the provisions of Regulation 19 of the SEBI (Listing Obligation and Disclosures Requirement) Act, 2015 and also meets the requirement of Section 178 of the Companies Act, 2013.

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

• **Meetings:**

Details of the various meetings held during the financial year 2015-16 have been given in the Corporate Governance Report.

Corporate Governance

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

CEO / CFO Certification

The Whole-time Director and CFO of the Company have submitted a certificate to the Board as required under Regulation 17 (8) of the Listing Agreement for the year ended 31st March 2016.

Directors' Responsibility Statement

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

- (i) That in preparation of the accounts for the financial year ended 31st March 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the Directors have prepared the accounts for the financial year ended 31st March 2016 on a 'going concern' basis.
- v) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

Auditors

M/s S. Swarup & Co., Chartered Accountants, have been appointed as the Statutory Auditors of the Company for a period of 2 years with effect from the conclusion of the 18th Annual General Meeting of the Company held on 5th August 2015 upto the conclusion of the 20th Annual General Meeting for the Company to be held in the year 2017.

A resolution ratifying their appointment has been placed at the notice of the forthcoming Annual General Meeting.

Human Resources

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

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

The ratio of remuneration of Median Employee to that of the Whole time Director is 1:6. as at 31st March, 2016. No other Directors get any remuneration from the Company except the Board sitting fees, which is Rs 2,000 per meeting.

The average increase in salary of all the employees was 5%, whereas there was no increase in the salary of the Whole time Director and Company Secretary.

Related Party Transactions:

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

However, during the financial year 2015-16, there is no materially significant related party transaction made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large.

Energy, Technology and Foreign Exchange Earning and Outgo

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

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

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

Earnings : ₹. 84.78 Lakhs

Outgo : ₹. 2.22 Lakhs

Vigil Mechanism / Whistle Blower Policy:

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

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

Environment

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

Declaration on compliance with code of conducts

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

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

Prevention of Insider Trading:

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

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

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

Secretarial Audit:

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

Extract of Annual Return:

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

Business Risk Management:

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

Board reviews the risks periodically.

Compliance Certificate

A Certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Schedule (V) (E) of the SEBI (Listing Obligation and Disclosures Requirement) Act, 2015 is attached to this Report.

Acknowledgements

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

Place: Kolkata

Date: 4th July, 2016

On behalf of the Board of Directors

Prashant Jhawar

Debjit Bhattacharya

Chairman

Whole-time Director

ANNEXURE - A

Form No. MGT-9 EXTRACT OF ANNUAL RETURN As on the financial year ended on 31/03/2016 [Pursuant to Section 92(1) of the Companies Act, 2013 And Rule 11(1) of the Companies (Management and Administration) Rules, 2014]
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I. REGISTRATION AND OTHER DETAILS

i)	CIN:	L31300WB1997PLC085210
ii)	Registration Date	18/08/1997
iii)	Name of the Company	Usha Martin Education & Solutions Limited
iv)	Category/Sub Category of the Company	Company Limited by shares/ Indian Non-Government Company
v)	Address of the Registered Office and Contact Details	P.S. Srijan Tech Park, 4 th Floor, DN-52, Sector V, Salt Lake, Kolkata-700091 Telephone:033 33223700 FAX: 033 33223800 E-mail: ranendranath.chakraborty@umesl.co.in
vi)	Whether listed Company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	MCS Share Transfer Agents Limited 12/1/5, Manoharpukur Road, Ground Floor, Kol - 700026. Tel.: 033-4072 4051/4052/4053 / Fax : 033-4072 4050 E-mail: mcssta@rediffmail.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sl. No	Name and Description of main products / services	NIC Code of the Product /service	% to total turnover of	% of Shares	Applicable Section
1	Educational Support Services	855	100%	100%	2 (87)

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	% Of Shares	Applicable Section	Holding/Subsidiary/Associate
1	Usha Martin Education Private Limited PS Srijan Techpark, 4th Floor DN-52, Sector-V, Salt Lake City, Kolkata - 700 091	U80221WB2009PTC140112	100%	2 (87)	Subsidiary

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change During the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	489741	0	489741	1.854	482085	0	482085	1.825	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	8510364	0	8510364	32.216	8510364	0	8510364	32.217	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Sub-total (A)(1):-	9000105	0	9000105	34.070	8992449	0	8992449	34.042	0
(2) Foreign									
a) NRIs-Individuals	0	0	0	0	0	0	0	0	0
b) Other-Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp	2388291	0	2388291	9.041	2388291	0	2388291	9.041	0

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change During the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
Sub-total (A)(2):-	2388291	0	0	9.041	2388291	0	2388291	9.041	0
Total Shareholding of Promoter(A)=A(1) + A(2)	11388396	0	11388396	43.111	11380740	0	11380740	43.111	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	1101	533	1634	0.006	1101	533	1634	0.006	0
b) Banks / FI	2921	3052	5973	0.024	2921	3052	5973	0.022	0
c) Central Govt	0	727	727	0.003	0	727	727	0.003	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	929862	0	929862	3.520	929862	0	929862	3.520	0
g) FIs	1562190	699	1562889	5.916	1277291	699	1277990	4.838	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	2496074	5011	2501058	9.469	2496074	5011	2501058	8.389	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1684613	15081	1699694	6.434	1517317	15048	1532365	5.802	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 Lakh	6587064	583124	7170188	27.144	7353184	579008	7932192	30.028	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1508157	0	1508157	5.709	1200320	0	1200320	4.544	0
c) Others (specify)									
i. Trust & Foundation	98	0	98	0.000	98	0	98	0.000	0
ii. NRI	339259	9479	348738	1.320	344976	9479	354455	1.342	
iii. OCB	100	0	100	0.000	0	0	0	0	0
Sub-total (B)(2):-	10113436	613439	10726875	40.607	10415895	603535	11019430	41.717	0
Total Shareholding of Public (B)=B(1) + B(2)	12609510	618450	13227960	50.076	12615265	612695	13227960	50.077	0
C. Shares held by Custodian for GDRs & ADRs	1799455	0	1799455	6.812	1799455	0	1799455	6.812	0
Grand Total (A+B+C)	25803116	612695	26415811	100	25807265	608546	26415811	100	0

ii) Shareholding of Promoter-

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

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

SN	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during theyear	
		No. of shares	% of total shares of the company	No. of	% of total shares shares of the company
	At the beginning of the year	7656	0.03		
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g.allotment /transfer / bonus / sweat equity etc):			Mrs Madhushree Goenka, One of the Promoter, sold her Equity Shares.	
	At the end of the year			0	0.00

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

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during theyear	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	ELARA INDIA OPPORTUNITIES FUND LIMITED	1277291	4.8353	1277291	4.8353
2	FOLLOWEL ENGINEERING LIMITED	468000	1.7717	468000	1.7717
3	SHYAM SUNDAR KANORIA	240000	0.9085	450055	1.7037

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during theyear	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4	GENERAL INSURANCE CORPORATION OF INDIA	369295	1.398	369295	1.398
5	ELM PARK FUND LIMITED	284899	1.0785	284899	1.0785
6	FALGUNI NILESH DEDHIA	247500	0.9369	247500	0.9369
7	NATIONAL INSURANCE COMPANY LTD	227035	0.8595	227035	0.8595
8	SHEELA DEVI KANORIA	217866	0.8248	217866	0.8248
9	GOLDVIEW FINANCIAL SERVICES LTD	198974	0.7532	198974	0.7532
10	ANUJA TANTIA	175000	0.6625	175000	0.6625

v) Shareholding of Directors and Key Managerial Personnel

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during theyear	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Prashant Jhawar				
	At the beginning of the year	134220	0.51	134220	0.51
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the end of the year	134220	0.51	134220	0.51
2.	Rajeev Jhawar				
	At the beginning of the year	36957	0.14	36957	0.14
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the end of the year	36957	0.14	36957	0.14
3.	Debjit Bhattacharya				
	At the beginning of the year	16000	0.06	16000	0.06
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the end of the year	16000	0.06	16000	0.06

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

(Amount in ₹.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	42,89,253.85	100,00,000.00	–	1,42,89,253.85
ii) Interest due but not paid	54095.00	–	–	54095.00

(Amount in ₹.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	43,43,348.85	100,00,000.00	-	14343348.85
Change in Indebtedness during the financial year				
* Addition	2,55,64,441.00	1,44,50,000.00	-	4,00,14,441.00
* Reduction	2,50,01,314.00	17,00,000.00	-	2,67,01,314.00
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	48,52,380.85	2,27,50,000.00	-	2,76,02,380.85
ii) Interest due but not paid	54,113.00	18,37,840.00	-	18,91,953.00
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	49,06,493.85	2,45,87,840.00	-	2,94,94,333.85

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

(Amount in ₹.)

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

B. Remuneration to other Directors

(Amount in ₹.)

SN.	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors	SK Mitra	RP Agrawal	Rahul Choudhary	Trivikram Khaitan	-
	Fee for attending board committee meetings	8000	6000	8000	2000	24000
	Commission	0	0	0	0	0
	Others, please specify	0	0	0	0	0
	Total (1)	8000	6000	8000	2000	24000
2	Other Non-Executive Directors	P.Jhavar	R.Jhavar	Gangotri Guho	-	-
	Fee for attending board committee meetings	6000	2000	8000	NIL	16000
	Commission	0	0	0	NIL	0
	Others, please specify	0	0	0	NIL	0
	Total (2)	6000	2000	8000	NIL	16000
	Total (B)=(1+2)	14000	8000	16000	2000	40000
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

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

(Amount in ₹.)

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

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

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

Penalty					
Punishment					
Compounding					

B. DIRECTORS

Penalty					
Punishment			NIL		
Compounding					

C. OTHER OFFICERS IN DEFAULT

Penalty					
Punishment					
Compounding					

ANNEXURE - B

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st Day of March, 2016
 [Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
 (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,

Usha Martin Education & Solutions Limited

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

Based on our verification of books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, and authorized representatives during the conduct of **Secretarial Audit**, we hereby report that in our opinion the Company has, during the audit period covering the financial year ended **31st March, 2016** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended **31st March, 2016** according to the provisions of:

- I. The Companies Act, 2013(the Act) and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. The following Regulations (as amended from time to time) and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 :-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 & Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
 - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

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

The Listing Agreements entered into by the Company with **Bombay Stock Exchange Limited & National Stock Exchange of India Limited till the time they were enforceable & the Securities & Exchange Board of India (listing obligations of Disclosure Requirements) Regulations 2015.**

During the period under review the Company has also complied with the secretarial standards issue by the Institute of Company Secretaries of India and the provisions of the Acts, Rules, Regulations, Guidelines, etc. mentioned above.

We further report that

The Board of Directors of the Company is **duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Woman Director**. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and Listing Agreement till the time they were enforceable and the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.

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

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

We further report that during the audit period there were no major events which took place in the Company.

Place : Kolkata
 Date: 23rd April, 2016

For K. Arun & Co
 Company Secretaries

Arani Guha
 Partner
 C.P. No.: 9573

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Indian economy has emerged as the fastest growing economy in the world as per the report of IMF and CSO. As per the economic survey 2015-16, the Indian economy will continue to grow at a pace of more than 7% in 2016-17. IMF World Economic Outlook Update (January, 2016) expects even a growth rate of 7.75% during 2016-17 despite uncertain global market. FDI hosted by India has significantly increased during January, 2015 to January, 2016 by 29% and may be believed as the result of "Make in India" campaign.

Education for the knowledge based economy is gradually becoming a buzzword in education policy discourse throughout the developed world and globalization makes it highly important for the developing countries too. In the higher education segment the need and scope of the informal education is also increased as it can successfully develop the intellectual skills and knowledge which will equip learners to fulfil the needs of professionals, decision makers and trainers.

Industry Overview:

India has over 550 million people below the age of 25 years. As per the census figures over 32% of the 1.1 billion populations are between the age group of 0-14 years. It implies that the total number of population in India requiring primary and secondary education alone exceeds the entire population of USA. Since these students will be ready to get the higher education in the next decade, it illustrates the sheer size of the Indian education market. Presently about 11 million students are in higher education and this represents only 11% of the population between 17 to 23 years old. The Government expects to increase this to 21% by 2017, a target which still falls short of the world average. By 2030 India will be amongst the youngest nations in the world with nearly 140 million people in the college going age group, one in every four graduates in the world will be a product of the Indian higher education system.

Over the last two decades India has remarkably transformed its higher education landscape. For catering the need of this huge section of higher education aspirants beside the formal education providers, informal education providers are also prepared and the students largely chose the informal players because of getting quick and quality employment opportunity. The vocational and IT enabled courses are becoming popular due to its wide scope of application in practice at the end of the study. The Non Formal Sector will play an increasing role in fulfilling the demand-supply gap of trained IT professionals. Some specialised ERP courses like SAP has been gaining importance especially in the southern and western part of the country because of its increased applicability among the multinationals. Quality students are gradually becoming interested to get trained in data science or e-commerce solutions like Hybris. The global business environment is fast changing with technology permeating the functioning of businesses to a great extent. Information technology has started to affect all domains of business, be it customer relations or vendor management or research or marketing etc.

(Ref: Organization's internal research data, www.investindia.gov.in, www.ey.com, www.delhibusinessreview.org)

Company Outlook & Strategy:

Due to the increasing uncertainty and non-clarity in the regularity framework of macro education environment your company has focused to launch some high end IT enabled courses after judging its long term requirement in practice in eastern India.

In this context, you will be please to know that your company has entered into an alliance with SAP India to partner with them in providing SAP training in Kolkata and very recently signed the contract with SAP to become their Authorized Training Partner.

Under this partnership, Usha Martin Education & Solutions Ltd. (UMESL) will impart training on various SAP modules, both technical and functional. The training will be imparted using different methodologies like; Instructor Led Training (ILT), On Line Training (OLT) and virtual Learning Centre (VLC). This center has been operational from Jan 2016.

UMESL has plans to setup similar SAP training centers in other cities like Bangalore, NCR etc. in the future.

UMESL is also examining other avenues including partnering with other large IT vendors, Skills based Vocational training and Employability based training.

Business Review:

Learning Business Segment

Realizing the pace of enrichment for SAP, Hybris and the Big Data Analytics courses, your company plans to start delivering the training services on Hybris omni-channel core and commerce solutions and comprehensive courses on Big Data Analytics as well. Being an Authorized SAP Training Partner with a State-of-Art campus, your company provides Global Certification Training Programs on different modules of SAP.

As the world of e-commerce and the concept of data continue to change, at UMESL, the young and dynamic workforce are trained on the needs to satisfy the demands of “always-on” consumers as well as increasingly complex business requirements.

Your company has also initiated to impart training on customised ERP modules in the line of SAP and assist the neighbouring countries to get trained and to enhance the employability skill.

Opportunities and threats:

With well planned expansion and a student-centric learning driven model of education, India has not only bettered its enrolment numbers but has dramatically enhanced its learning outcomes. Further with the effective use of technology India has been able to resolve the long standing tension between excellence and equity.

Globally the technology requirements are changing fast and it is a challenge to education solution provider to cope up with this rapid pace of changes and to bridge up the gap between the industry and academia.

Adequacy of Internal Controls

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

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

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

Human Resources

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

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

Cautionary Statements

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

Place: Kolkata

Date: May 27, 2016

On behalf of the Board of Directors

Prashant Jhavar
Debjit Bhattacharya

Chairman
Whole-time Director

REPORT ON CORPORATE GOVERNANCE

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

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

II. BOARD OF DIRECTORS

➤ Composition

The Company's policy is to maintain optimum combination of Executive Directors, Non-Executive Directors and Independent Directors.

The total strength of your Board of Directors as on 31st March, 2016 is eight members consisting of one Non-Executive Chairman, five Non-Executive Directors, one Non-Executive Woman Director and one Executive Director. As on 31st March, 2016, the Board comprised of four independent directors out of total eight members.

None of the Directors on the Board is a Member of more than ten Committees or a Chairman of more than five Committees [as specified under Regulation 26 of SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015] across all the companies in which he is a Director. All the Directors have furnished a notice of disclosure of interest as specified under Section 184(1) of the Companies Act, 2013. The Company maintains Register of Contracts and details of companies and firms in which Directors are interested as provided under Section 189 of the said Act.

All the Independent Directors of the Company at the first meeting of the Board in every financial year give a declaration that they meet with the criteria of independence as provided under Companies Act, 2013 and Reg. 16 & 25 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

Composition of the Board of Directors and their shareholding as on 31st March, 2016:

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	8	–	–	134,220
Shri. Rajeev Jhawar	Vice-Chairman /Non-Executive/Dependent	6	2	–	36,957
Shri. Subrata Kumar Mitra	Non-Executive/ Independent	6	2	–	–
Shri. Rameshwar Pal Agrawal	Non-Executive/ Independent	–	–	–	–
Shri. Trivikram Khaitan	Non-Executive/ Independent	–	–	–	–
Shri. Rahul Choudhary	Non-Executive / Independent	–	–	–	–
Shri. Debjit Bhattacharya	Whole-time Director/ Executive	2	–	–	16,000
Smt. Gangotri Guha	Woman Director/ Non-Executive	2	–	–	–

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

Chairmanship and membership of Audit Committee and Shareholder's Grievance Committee is only considered.

Summary of Composition of the Board of Directors

➤ 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, 2015, 5th August, 2015, 5th November, 2015 and 9th February, 2016. All relevant information as required under Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was placed before the Board from time to time.

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

Director	Board Meetings Attended	Attended Last AGM
Shri Prashant Jhawar	3	Present
Shri Rajeev Jhawar	1	Not Present
Shri Subrata Kumar Mitra	4	Not Present
Shri Rameshwar Pal Agrawal	3	Not Present
Mrs. Gangotri Guho	4	Present
Shri Trivikram Khaitan	1	Not Present
Shri Rahul Choudhary	4	Present
Shri Debjit Bhattacharya	4	Present

➤ 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 the Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 Regulation 17(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, the Board periodically reviews compliance report on all laws applicable to the Company, as prepared by the Company. There has been no non-compliance in this respect.

➤ Code of Conduct

The Company maintains a well-defined Code of Conduct for Board Members and Senior Executive of the Management, and the same has been circulated to all concerned and is also hosted on the website of the Company. As per Regulation 17(5) SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, the Board Members and Senior Executives of the Management have given their declarations confirming compliance of the provisions of the above Code of Conduct.

➤ Board Evaluation

As per Companies Act, 2013, the Board has a formal mechanism for evaluating its performance and has adopted a Policy for evaluation of itself along with all its committees and all the Directors individually.

Based on such policy, the Board in its first Board Meeting held after the end of Financial Year 2015-16, performed an Evaluation, on a comprehensive basis, of its own working, as well as working of all its committees. The evaluation also included personal evaluation of individual Directors.

As a result of such evaluation some advises generated, which the entire Board noted and adopted to follow in its future performance.

III. AUDIT COMMITTEE
➤ Constitution of Audit Committee

The Audit Committee has been constituted in the year 2000 and it meets all the requirements of the provisions of Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also meets the requirement of Section 177 of the Companies Act, 2013. The members of the Committee are financial experts. The Chairman of the committee is an independent director, elected by the Members of the Committee.

The members of Audit Committee as on 31st March 2016 are as follows:

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

The Company Secretary acts as the Secretary to the committee.

➤ **Terms of Reference for Audit Committee**

The terms of reference of Audit Committee cover the areas mentioned under Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as Section 177 of the Companies Act, 2013.

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

➤ **Meeting of the Audit Committee**

The dates of the Audit Committee Meeting are fixed in advance and accordingly intimation is sent to the Audit Committee Members. During the year under review, 4 (four) Audit Committee Meetings were held on 11th May, 2015, 5th August, 2015, 5th November, 2015 and 9th February, 2016.

Director	Audit Committee Meeting Attended
Shri Rahul Choudhary	4
Smt. Gangotri Guho	4
Shri Trivikram Khaitan	1

IV. NOMINATION AND REMUNERATION COMMITTEE

➤ **Constitution of Nomination and Remuneration Committee**

The Nomination and Remuneration has been constituted in line with the provisions of Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and also meets the requirement of Section 178 of the Companies Act, 2013. As on 31st March 2016, the Committee comprises of following members:

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

The Company Secretary acts as Secretary of the Committee.

➤ **Terms of Reference of Nomination and Remuneration Committee**

The terms of the reference of Nomination and Remuneration Committee covers the areas mentioned under Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 as well as section 178 of the Companies Act, 2013.

➤ **Meeting of the Nomination and Remuneration Committee**

During the financial year ended 31st March, 2016, meeting of Nomination and Remuneration Committee was not held.

Details of Remuneration paid to all Directors

• **Executive Directors**

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

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

Notes:

- Details as per Note 6 to the Notes of Accounts;
- The appointment is subject to termination by 3 months' notice in writing from either side;

c) The Company does not have any scheme for grant of stock options to its Directors and Employees.

- **Non- Executive Directors**

Directors	Sitting Fees Paid (₹)		
	Board Meeting	Audit Committee Meeting	Nomination and Remuneration Committee
Shri Prashant Jhawar	6,000	NA	NA
Shri Rajeev Jhawar	2,000	NA	NA
Shri Subrata Kumar Mitra	8,000	NA	NA
Shri Rameshwar Pal Agrawal	6,000	NA	NA
Smt. Gangotri Guha	8,000	8,000	NA
Shri Trivikram Khaitan	2,000	2,000	NA
Shri Rahul Choudhary	8,000	8,000	NA

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

V. STAKEHOLDERS' RELATIONSHIP COMMITTEE

➤ **Constitution of Stakeholders Relationship Committee**

The Stakeholders Relationship Committee comprises of following members as on 31st March 2016:

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

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

➤ **Terms of Reference of the Committee**

The Terms of Reference of the Stakeholders Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and also include the roles as stipulated in Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Status of complaints for the period from 01-04-2015 to 31-03-2016:

Complaints pending as on 1st April, 2015	–
Number of complaints received	11
Number of complaints attended to/resolved	11
Complaints pending as on 31st March, 2016	–
Number of share transfer pending for approval as on 31 st March, 2016	–

➤ **Meeting of the Stakeholders Relationship Committee**

During the year under review, 4 (Four) Stakeholders Relationship Committee Meetings were held on 11th May, 2015, 5th August, 2015, 5th November, 2015 and 9th February, 2016.

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

➤ **Independent Directors Meeting**

During the year under review, 1 (one) Independent Directors Meeting was held on 9th February, 2016 as per the provision of Companies Act, 2013 and Regulation 25(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. All the Independent Directors attended the meeting.

VI. GENERAL BODY MEETINGS

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

Date	Venue	Special Resolutions Passed
5 th August, 2015 at 2:30 P.M	Shripati Singhania Hall, Rotary Sadan, 94/2, J.N Road, Kolkata-700020	None
1 st August, 2014 at 2:30 P.M	Shripati Singhania Hall, Rotary Sadan, 94/2, J.N Road, Kolkata-700020	None
1 st August, 2013 at 2:30 P.M	Shripati Singhania Hall, Rotary Sadan, 94/2, J.N Road, Kolkata-700020	None

VII. DISCLOSURES

➤ **Materially significant related party transactions**

The Board of Directors have adopted Related Party Disclosure Policy as per the newly enacted Companies Act, 2013 and Regulation 23(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The same has been uploaded in the website of the Company.

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

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

➤ **Details of Non-compliance during the last three year**

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

➤ **Whistle Blower Policy**

The Whistle Blower Policy made in accordance with Companies Act, 2013 and Regulation 46 (2)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 of the Listing Agreement has been adopted by the Board of Directors and the same has been uploaded in the website of the Company. It is also affirmed that no personnel has been denied access to the Audit Committee.

➤ **Subsidiaries**

The Company has a subsidiary under the name and style of "Usha Martin Education Private Limited". An Independent Director of the Company is appointed as one of the Director of subsidiary company. The minutes of proceedings of meetings of the Board of Directors of subsidiary 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.

➤ **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, 2013 and comply in material aspects with the accounting standards notified under Section 211 (3C) of the Companies Act, 2013 read with the Companies (Accounting Standard) Rules, 2006.

➤ **CEO/CFO Certification**

As required by Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the management has given a declaration to the Board that they have no personal interest in any material, commercial and financial transactions that may have potential conflict with the interest of the Company at large.

➤ **Reconciliation of Share Capital Audit**

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

➤ **Compliance with Non Mandatory requirements**

● **The Board**

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

● **Audit Qualification**

There is no audit qualification.

● **Report of Internal Auditor**

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

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

VIII. MEANS OF COMMUNICATION

➤ **Financial Results**

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

➤ **Website**

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

➤ **Annual Report**

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

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

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

IX. GENERAL SHAREHOLDERS INFORMATION

➤ Date of Incorporation	18 th August, 1997
➤ Corporate Identity Number (CIN)	L31300WB1997PLC085210
➤ Registered Office	PS Srijan Tech Park, DN - 52, 4 th Floor Sector - V, Salt Lake City Kolkata 700 091
➤ Date, time and Venue of Annual General Meeting	9 th August, 2016 at 4.00 pm at 'Shripati Singhanian Hall', Rotary Sadan, 94/2, Jawaharlal Nehru Road, Kolkata - 700020
➤ Financial Calendar (tentative and subject to change)	
● Financial reporting for the first quarter ending June 30, 2016	On or before 14 th August, 2016
● Financial reporting for the second quarter ending September 30, 2016	On or before 15 th November, 2016
● Financial reporting for the third quarter ending December 31, 2016	On or before 15 th February, 2016
● Audited Results for the year ended March 31, 2017	On or before 31 st May, 2017
● Annual General Meeting for the year ended March 31, 2017	On or before 30 th September, 2017
➤ Date of Book Closure	3 rd August, 2016 to 9 th August, 2016 (both days inclusive)
➤ Dividend Payment Date	Not Applicable

➤ Listing on Stock Exchange and Code Number	Stock Exchange	Scrip Code
• Equity Shares	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	532398 UMESL
	National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor, Plot No.C/1, G Block Bandra Kurla Complex, Bandra (E)Mumbai - 400 051	UMESLLTD.
• Global Depository Receipt (GDRs)	Societ� de la Bourse de Luxembourg Societe Anonyme, R.C.B.6222 B.P. 165, L-2011 Luxembourg	UMIFG
• Overseas Depository for GDRs	Deutsche Bank Trust Company Americas, 60, Wall Street, New York, NY10005, United States	
• Domestic Custodian of GDRs	ICICI Bank Limited Securities Market Services, 1 st floor, Empire Complex, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013	
➤ ISIN	Fully paid up equity shares: ISIN INE240C01028 GDRs : US91730W1053	
➤ Registrar and Transfer Agents	MCS Share Transfer Agents Limited 12/1/5, Manoharpukur Road, Ground Floor, Kolkata - 700026. Tel.: 033-4072 4051/4052/4053 Fax : 033-4072 4050 E-mail: mcssta@rediffmail.com	
➤ Address for correspondence / enquiry	Usha Martin Education & Solutions Limited PS Srijan Tech Park, 4th Floor, DN-52, Sector V, Salt Lake City, Kolkata-700 091 Email: ranendranath.chakraborty@umesl.co.in	

➤ Market Price Data

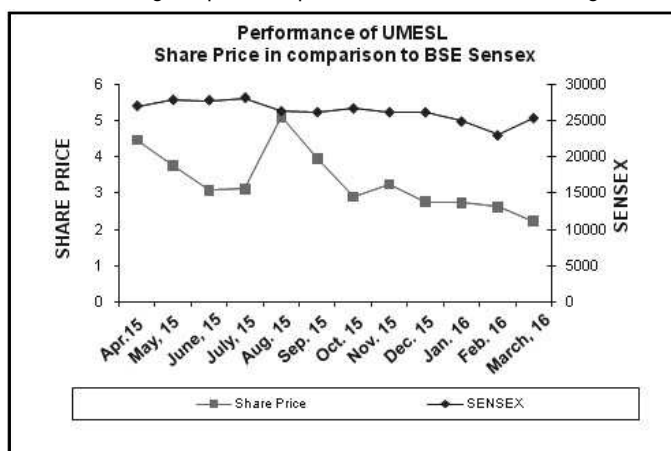
Share price for financial year 2015-16
Prices in ₹.

Month	High	Low
Mar'16	2.87	2.10
Feb'16	2.87	2.20
Jan'16	3.59	2.51
Dec'15	3.35	2.70
Nov'15	3.35	2.43
Oct'15	3.76	2.90
Sep'15	5.10	3.77
Aug'15	5.10	2.63
Jul'15	4.44	2.55
Jun'15	4.49	2.71
May'15	4.30	3.47
Apr'15	5.10	2.79

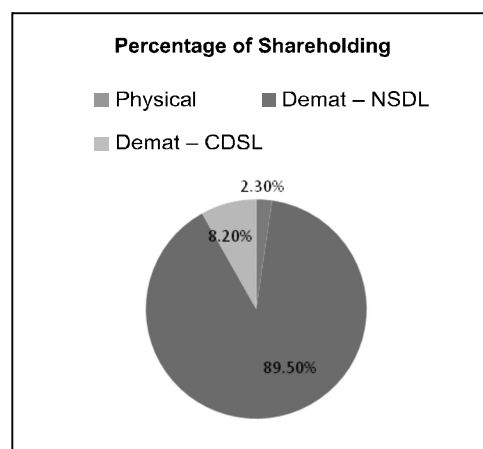
Distribution of Shareholding as on 31st March, 2016

Range	No. of Shareholders	Number of Shares
1 - 500	29334	2058210
501 - 1000	1101	931310
1001 - 5000	889	2124031
5001 - 10000	113	860912
10001 & above	125	20441348
Total	31562	26415811

- **Performance of Company's Shares vis-à-vis BSE Sensex**
Comparison of monthly closing price of the Company with monthly closing BSE Sensex during the period April 2015 to March, 2016 is given below:



- **Physical vis-à-vis Demat shareholding as on 31st March 2016**



- **Dematerialization of Shares and Liquidity as on 31st March, 2016**

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, 2016 is as under:

Type of shareholding	Number of Shares	Percentage of Shareholding
Physical	608546	2.30
Demat - NSDL	23640802	89.50
Demat - CDSL	2166463	8.20
Total	26415811	100

- **Pattern of shareholding as on 31st March, 2016**

Category	No. of shareholders	Percentage of shareholders	No. of shares held	Percentage of shareholding
Promoters Group	19	0.060	11380740	43.083
Mutual Funds/UTI	6	0.019	1634	0.006
Banks/Financial Institutions/Ins/Govt.	33	0.105	936562	3.545
FIIS/FVC	5	0.016	1277990	4.838
Bodies Corporates	439	1.391	1532365	5.801
Individuals	30915	97.950	9132512	34.573
Others	144	0.456	354553	1.342
GDRs	1	0.003	1799455	6.812
Total	31562	100	26415811	100

- **Share Transfer System**

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

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

As on 31st March, 2016, there are 1,799,455 outstanding GDRs each representing one equity share of the Company.



Auditors' Certificate on compliance of conditions of Corporate Governance.

To

The Members

Usha Martin Education & Solutions Limited

We have examined the compliance of conditions of Corporate Governance by Usha Martin Education & Solutions Limited ("the Company"), for the year ended on March 31, 2016, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges for the period 1st April, 2015 to 30th November, 2015 and as per the relevant provisions of Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as referred to in Regulation 15(2) of the Listing Regulationis for the period 1st December, 2015 to 31st March, 2016.

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 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/Listing Regulations, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For S. Swarup & Co.
Chartered Accountants
Firm's Registration No.310089E
S. S. Gupta
(Proprietor)
Membership No. 017897

Place: Kolkata

Date: 27th May, 2016

[Regulation 17(8)]

CEO/CFO Certification specified in Part –B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015.

CEO & CFO Certification

To

The Board of Directors

Usha Martin Education & Solutions Limited

In pursuance to Part –B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, with 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, 2016, 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 they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware of and the 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: 27th May,2016

Debjit Bhattacharya
Whole-time Director

Vinay Kumar Gupta
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To the Members of USHA MARTIN EDUCATION & SOLUTIONS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of USHA MARTIN EDUCATION & SOLUTIONS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its Loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such control, refer to our separate report in Annexure "B".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

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

Place: Kolkata
Date: 27th May, 2016

ANNEXURE "A" TO THE AUDITORS' REPORT

The Annexure referred to in our Report to the member of the Company on the standalone financial statements for the year ended 31st March, 2016, we report that:

- 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) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company does not own any immovable property. Hence, paragraph 3(i)(c) of the Order is not applicable. However land has been taken on lease for which lease rental is paid every year and building has been constructed by the company thereon which has been shown as building.
- ii. The Company is a service company. Accordingly, it does not hold any physical inventories. Thus paragraph 3(ii) of the Order is not applicable.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of paragraph 3 (iii) (a) to (c) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013, with respect of loans, investments, guarantees, and security made.
- v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable. Hence, paragraph 3(v) of the Order is not applicable
- vi. The clause relating to maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 is not applicable to the company. Hence, paragraph 3(vi) of the Order is not applicable.
- vii. (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2016 for a period of more than six months from the date on when they become payable.
b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institution, bank, government or dues to debenture holders.
- ix. According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term loans. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company.
- x. According to the information and explanations given to us, no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given to us and on the basis of our examination of the records of the company, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and on the basis of our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.
- xv. According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.
- xvi. The company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

For S.Swarup & Co.
Chartered Accountants
Firm's Registration No.: 310089E
S .S. Gupta
(Proprietor)
Membership No. 17897

Place : Kolkata
Date : May 27th, 2016

ANNEXURE "B" TO THE AUDITORS' REPORT

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

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

We have audited the internal financial controls over financial reporting of USHA MARTIN EDUCATION & SOLUTIONS LIMITED ("the Company") as of 31st March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.Swarup & Co.
Chartered Accountants
Firm's Registration No.: 310089E
S .S. Gupta
(Proprietor)
Membership No. 17897

Place : Kolkata
Date : May 27th, 2016

Balance Sheet as at 31st March, 2016

Particulars	Note no.	As at 31st March, 2016 (Amount in ₹)	As at 31st March, 2015 (Amount in ₹)
I EQUITY AND LIABILITIES			
1) Shareholders' Funds			
(a) Share Capital	1	2,64,15,811	2,64,15,811
(b) Reserves and Surplus	2	13,87,59,144	16,78,24,122
2) Non - Current Liabilities			
(a) Long Term Provisions	3	10,45,193	11,56,148
3) Current Liabilities			
(a) Short Term Borrowings	4	2,76,02,381	1,42,89,254
(b) Trade Payables	5	57,67,216	94,24,558
(c) Other Current Liabilities	6	73,51,737	28,82,850
(d) Short Term Provisions	7	67,85,831	67,84,678
	TOTAL	21,37,27,313	22,87,77,421
II ASSETS			
1) Non - Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	8	2,09,81,993	2,29,20,390
(ii) Intangible Assets		5,19,335	24,685
(b) Non-Current Investments	9	16,05,00,000	16,05,00,000
(c) Long Term Loans and Advances	10	32,47,295	23,74,868
(d) Other Non- Current Assets	11	19,60,000	21,92,523
2) Current Assets			
(a) Trade Receivables	12	56,60,554	2,19,37,957
(b) Cash and Cash equivalents	13	16,92,112	10,66,057
(c) Short Term Loans and Advances	14	1,91,66,024	1,77,60,941
	TOTAL	21,37,27,313	22,87,77,421

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 : 27th May, 2016

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, 2016

Particulars	Note no.	For the Year Ended 31st March, 2016 (Amount in ₹)	For the Year Ended 31st March, 2015 (Amount in ₹)
I Revenue			
Revenue from Operations	15	1,30,76,018	3,33,26,851
Other Income	16	8,91,806	16,89,446
II Total Revenue		1,39,67,824	3,50,16,297
III Expenses			
Employee Benefit Expense	17	1,31,60,033	1,57,55,867
Finance Costs	18	29,63,253	21,25,674
Depreciation and Amortization Expenses		23,98,261	29,28,809
Operating and Administrative Expenses	19	2,45,11,255	2,89,39,968
IV Total Expenses		4,30,32,802	4,97,50,318
V Profit before Tax		(2,90,64,978)	(1,47,34,021)
VI Tax Expense:			
Current Tax		-	-
VII Profit / (Loss) after tax		(2,90,64,978)	(1,47,34,021)
Earnings per Equity Share:			
(1) Basic		(1.10)	(0.56)
(2) Diluted		(1.10)	(0.56)

Significant Accounting Policies and Notes on Accounts 20

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

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

(S.S. Gupta)

Proprietor

Membership No. 17897

For and on behalf of

S.SWARUP & CO.

Chartered Accountants

Firm Registration No. 310089E

Place : Kolkata

Dated : 27th May, 2016

On behalf of the Board

Prashant Jhavar

Chairman

Debjit Bhattacharya

Whole-time Director

R. N. Chakraborty

Company Secretary

Notes forming part of Balance Sheet

	As at 31st March, 2016 (Amount in ₹)	As at 31st March, 2015 (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)	20,00,00,000	20,00,00,000
1,000,000 10.75% Cumulative Redeemable Preference Shares of ₹ 50/- each	<u>5,00,00,000</u>	<u>5,00,00,000</u>
	<u>25,00,00,000</u>	<u>25,00,00,000</u>
b) Issued, Subscribed and Paid-up		
26,415,811 Equity Shares of ₹ 1/- each (Previous year 26,415,811 Equity Shares ₹ 1/- each)	2,64,15,811	2,64,15,811
	<u>2,64,15,811</u>	<u>2,64,15,811</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 31.03.2016	% of Equity Shares as on 31.03.2016	No. of Equity Shares as on 31.03.2015	% of Equity Shares as on 31.03.2015
UMIL Share & Stock Broking Services Ltd	30,75,127	11.64	30,75,127	11.64
Peterhouse Investment India Limited	29,68,718	11.24	29,68,718	11.24
Peterhouse Investment Limited	23,88,291	9.04	23,88,291	9.04
Prajeev Investments Limited	20,57,610	7.79	20,57,610	7.79
Deutsche Bank Trust Company Americas	17,99,455	6.81	17,99,455	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, 2016 (Amount in ₹)	As at 31st March, 2015 (Amount in ₹)
Note : 2 - RESERVE AND SURPLUS		
Securities Premium Account		
As per last Account	1,20,249	1,20,249
	<u>1,20,249</u>	<u>1,20,249</u>
General Reserve Account (see note below)		
As per last Balance Sheet	16,77,03,873	18,24,37,894
Add: Transferred from Statement of Profit & Loss	(2,90,64,978)	(1,47,34,021)
	<u>13,86,38,895</u>	<u>16,77,03,873</u>
	<u>13,87,59,144</u>	<u>16,78,24,122</u>
<p>Note: General Reserves are free reserve or undistributed profits and created out of appropriation of profits. The reserve is created based on the financial policy of the Company and discretion of the management. The reserve can be utilized for any general purpose of the business which may include, meeting future liability or loss, strengthening the financial position of the business/ expansion of business etc.</p>		
Note : 3 - Long Term Provisions		
Provision for Employee benefit		
- Gratuity (Funded)	7,18,016	8,11,942
- Leave Encashment (Un-funded)	3,27,177	3,44,206
	<u>10,45,193</u>	<u>11,56,148</u>
Note : 4 - Short Term Borrowings		
Secured : IDBI Overdraft Account		
(Secured against hypothecation of current and movable fixed assets, both present and future and ranking pari passu with the existing lenders for their loans. Also collaterally secured by Escrow account and lien on Fixed Deposit together with future interest)	48,52,381	42,89,254
Unsecured : Loans from corporate bodies		
	2,27,50,000	1,00,00,000
	<u>2,76,02,381</u>	<u>1,42,89,254</u>
Note : 5 - Trade Payables		
For Supplies / Services	38,96,262	54,69,690
Accrued Expenses	18,70,954	39,54,868
	<u>57,67,216</u>	<u>94,24,558</u>
Note : 6 - Other Current Liabilities		
Advance Received from Customers	8,000	46,395
Unearned Revenue	4,70,564	-
Other Payables		
Statutory Dues	11,04,602	10,33,520
Interest on Unsecured Loan	18,37,840	-
Capital Goods	6,18,343	32,136
Employees related liability	33,12,388	17,70,799
	<u>73,51,737</u>	<u>28,82,850</u>
Note : 7 - Short Term Provisions		
Provisions for Taxation	67,05,965	67,05,965
Provision for Employee benefit		
- Gratuity (Funded)	68,844	66,945
- Leave Encashment (Un-funded)	11,022	11,768
	<u>67,85,831</u>	<u>67,84,678</u>

Notes forming part of Balance Sheet

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

(Amount in ₹)

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Balance as at 31st March, 2015	Additions	Sales/ Adjustments during the year	Balance as at 31st March, 2016	As at 31st March, 2015	Depreciation Charges for the Year	Sales/ Adjustments during the year	Balance as at 31st March, 2016	Balance as at 31st March, 2016	Balance as at 31st March, 2015
A. Tangible Assets										
Building	1,34,72,826	–	–	1,34,72,826	8,69,512	2,13,574	–	10,83,086	1,23,89,740	1,26,03,314
Plant and Equipment	1,18,45,062	96,258	30,92,892	88,48,428	1,09,55,891	81,564	30,60,918	79,76,537	8,71,891	8,89,171
Office Equipment	48,01,166	4,22,742	16,69,378	35,54,530	23,11,033	6,52,592	9,51,033	20,12,592	15,41,938	24,90,133
Furniture & Fixtures	1,12,38,086	28,05,560	47,84,426	92,59,220	51,47,632	11,79,945	26,08,370	37,19,207	55,40,013	60,90,454
Vehicles	19,61,064	–	–	19,61,064	11,13,746	2,08,907	–	13,22,653	6,38,411	8,47,318
	4,33,18,204	33,24,560	95,46,696	3,70,96,068	2,03,97,814	23,36,582	66,20,321	1,61,14,075	2,09,81,993	2,29,20,390
B. Intangible Assets										
Software	35,36,207	5,59,021	8,13,516	32,81,712	35,11,522	61,679	8,10,824	27,62,377	5,19,335	24,685
	35,36,207	5,59,021	8,13,516	32,81,712	35,11,522	61,679	8,10,824	27,62,377	5,19,335	24,685
Total (A) + (B)	4,68,54,411	38,83,581	1,03,60,212	4,03,77,780	2,39,09,336	23,98,261	74,31,145	1,88,76,452	2,15,01,328	2,29,45,075
Previous Year	4,71,26,156	27,300	2,99,045	4,68,54,411	2,11,30,370	29,28,809	1,49,843	2,39,09,336	2,29,45,075	

Notes forming part of Balance Sheet

Note : 9- Non Current Investments

Investments in Equity Instruments

Name of the Body Corporate	Subsidiary /Associate /JV/ Controlled Entity /Others	No. of Shares		Quoted/ Unquoted	Partly Paid/ Fully Paid	Extent of Holding		Whether Stated at Cost	As at	As at
		2016	2015			2016	2015		31st March, 2016 (Amount in ₹)	31st March, 2015 (Amount in ₹)
i) Usha Communications Technology Limited, British Virgin Islands	Others	93,96,097	93,96,097	Unquoted	Fully Paid up	15.47	15.47	Cost	5,50,00,000	5,50,00,000
ii) Redtech Network India Private Limited	Associate	5,28,974	5,28,974	Unquoted	Fully Paid up	6.62	6.62	Cost	10,00,00,000	10,00,00,000
iii) Usha Martin Education Private Limited	Subsidiary	5,50,000	5,50,000	Unquoted	Fully Paid up	100	100	Cost	55,00,000	55,00,000
Aggregate Amount of Unquoted Investment									16,05,00,000	16,05,00,000

As at
31st March, 2016
(Amount in ₹)

As at
31st March, 2015
(Amount in ₹)

Note : 10 - Long Term Loans and Advances

Security Deposits (Unsecured considered good unless otherwise stated)

Considered Good

29,97,295

20,60,535

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

Prepaid expenses

2,50,000

3,14,333

32,47,295

23,74,868

Note : 11 - Other Non-Current Assets

Fixed Deposit with Bank

7,63,821

7,04,233

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

Gratuity (Funded with LIC of India)

11,96,179

14,88,290

19,60,000

21,92,523

Note : 12 - Trade Receivables

(Unsecured considered good unless otherwise stated)

Outstanding for a period exceeding six months

Considered Good

53,90,154

42,12,307

Considered Doubtful

—

—

53,90,154

42,12,307

53,90,154

42,12,307

Other Receivables

Considered Good

2,70,400

1,77,25,650

Considered Doubtful

—

—

2,70,400

1,77,25,650

56,60,554

2,19,37,957

Notes forming part of Balance Sheet

	As at 31st March, 2016 (Amount in ₹)	As at 31st March, 2015 (Amount in ₹)
Note : 13 - Cash and Cash Equivalents		
Cash on Hand	12,831	32,051
Balances with Banks	14,05,544	10,34,006
Remittance in Transit	2,73,737	-
Fixed Deposit with Bank (with IDBI Bank Ltd. for availing Working Capital Facility)	7,63,821	7,04,233
Less: Non Current portion transferred to Other Non-Current Assets (Ref. Note No. 11)	<u>7,63,821</u>	<u>7,04,233</u>
	<u>16,92,112</u>	<u>10,66,057</u>
Note : 14 - Short Term Loans and Advances		
Other Loans and Advances (Recoverable in Cash or in kind or for value to be received)		
Advance Payment of Taxes	1,78,02,515	1,62,91,900
Advance against supplies of Goods and Services	4,06,819	2,76,578
Prepaid Expenses	8,62,769	10,64,541
Advance /Loans to Employees	<u>93,921</u>	<u>1,27,922</u>
	<u>1,91,66,024</u>	<u>1,77,60,941</u>

Notes forming part of Statement of Profit and Loss

	For the Year Ended 31st March, 2016 (Amount in ₹)	For the Year Ended 31st March, 2015 (Amount in ₹)
Note : 15 - Revenue from Operations		
Income from Learning Business (Tax deducted at Source ₹. 428,377/- , Previous Year ₹. 1,141,594/-)	1,30,76,018	3,33,26,851
	<u>1,30,76,018</u>	<u>3,33,26,851</u>
Note : 16 - Other Income		
Interest Income on Fixed Deposit Bank	66,209	60570
(Tax deducted at Source ₹. 6,621/- , Previous Year. ₹.6,057/-)		
Income on Planned Assets (Gratuity)	1,28,451	1,28,963
Service Charges (Tax deducted at Source ₹. Nil , Previous Year. ₹. 114,468/-)	-	14,99,913
Foreign Exchange Fluctuation Gain (Net)	97,146	-
Miscellaneous receipts (Tax deducted at Source ₹. 12,000/-, Previous year ₹. Nil)	<u>6,00,000</u>	<u>-</u>
	<u>8,91,806</u>	<u>16,89,446</u>
Note : 17 - Employee Benefit expense		
Salaries and Bonus	1,16,67,347	1,41,35,056
Contribution to Provident Fund and other Funds	13,13,928	14,46,191
Staff Welfare Expenses	<u>1,78,758</u>	<u>1,74,620</u>
	<u>1,31,60,033</u>	<u>1,57,55,867</u>
Note : 18 - Finance Costs		
(No Borrowing Cost has been Capitalized during the year)		
Interest on Working Capital Loan from Bank	6,22,828	5,72,091
Other Borrowing Cost	23,26,925	15,41,083
Others	<u>13,500</u>	<u>12,500</u>
	<u>29,63,253</u>	<u>21,25,674</u>

Notes forming part of Statement of Profit and Loss

	For the Year Ended 31st March, 2016 (Amount in ₹)	For the Year Ended 31st March, 2015 (Amount in ₹)
Note : 19 - Operating and Administrative Expenses		
Travelling and Conveyance	9,38,918	16,92,675
Communication	8,92,607	11,16,832
Power	7,46,430	9,52,805
Maintenance expenses	20,16,579	16,36,323
Rent (Including Lease Rent)	25,52,380	29,70,900
Insurance	1,45,462	1,62,308
Computer Consumables	1,24,903	84,287
Professional and Consultancy charges	61,34,849	1,06,71,658
Legal & Secreterial	10,87,454	8,12,179
Marketing and Advertisement	12,49,088	6,06,195
Business Development	2,245	8,726
Printing and Stationery	6,71,059	16,39,398
Brokerage and Commission	20,000	5,000
Hire charges	4,80,000	15,03,337
Registration and Courseware	22,89,460	21,75,923
Directors Meeting Fees	58,000	72,000
Auditors' Remuneration		
For Statutory Audit	100,000	100,000
For Tax Audit	25,000	25,000
Rates and Taxes	2,500	2,500
Loss on Discard of Fixed Assets	20,04,367	99,202
Bank Charges	61,055	66,923
Foreign Exchange Fluctuation Loss (Net)	-	1,48,882
Bad Debts/Sundry Balances written off (Net)	21,41,006	12,18,989
Miscellaneous Expenses	7,67,893	11,67,926
	2,45,11,255	2,89,39,968

Note 20 : Significant Accounting Policies and Notes on Accounts for the year ended 31st March, 2016

1 SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation of Financial Statement

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

b) Fixed Assets and Depreciation

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

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

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

c) Investments

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

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

d) Revenue Recognition

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

Revenue from operations is accounted for net of Service Tax.

e) Use of estimates

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

Note 20 : Significant Accounting Policies and Notes on Accounts for the year ended 31st March, 2016

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

f) Current and Non Current assets and liabilities

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

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

g) Foreign Currency Transactions

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

h) Leases

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

i) Employee Benefits

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

j) Taxation

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

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

k) Borrowing Cost

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

l) Contingencies

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

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

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

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

3) Foreign Currency Earnings & Outgo:

a) Expenditure in foreign currency :

	2015 -16 (₹)	2014 -15 (₹)
Listing Fees	187,643	174,975
Travel Expenses	34,124	—

Note 20 : Significant Accounting Policies and Notes on Accounts for the year ended 31st March, 2016

b) Earnings in foreign currency:

	2015 -16 (₹)	2014 -15 (₹)
Management Training, Educational Consultancy, Market Research and Delivery of modules for H & D Business Studies and Computing Studies.	8,477,540	9,480,486

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

i) **Related Parties**

<u>Name</u>	<u>Relationship</u>
Usha Martin Education Private Limited	Subsidiary
Usha Martin Limited.	Substantial interest in voting power of the entity.
Usha Breco Education Infrastructure Limited.	- do -
Redtech Network India Private Limited.	- do -
DSI Archer Private Limited	Common Director
Jhawar Impact Venture Private Limited	- do -
Jhawar Venture Mngement Private Limited	- do -
Usha Martin Ventures Limited	- do -
Pars Consultancy & Services Private Limited	- do -
Peterhouse Investments India Limited	- do -
Debjit Bhattacharya (Whole-time Director)	Key Managerial Personnel
Vinay Kumar Gupta (Chief Financial officer)	Key Managerial Personnel
Ranendranath Chakraborty (Company Secretary)	Key Managerial Personnel

ii) Particulars of Transactions during the year ended 31st March, 2016

Particulars	Subsidiaries and Associates (₹)	Key Management Personnel (₹)
Rent Paid (including lease Rent)	1,841,022 1,816,861	- -
Key Managerial Personnel's Remuneration	- -	2996486 2059555
Service Charges	444,042	- -
Training Fees	1,145,000 -	- -
Sale of Fixed Assets	524,000 -	- -
Interest Paid	776,925 -	- -
Reimbursement of Expenses	1,244,436 -	- -
Unsecured Loans: Taken during the year	14,450,000	-
Repaid during the year	1,700,000 - -	-
Balances outstanding at the year end	13,445,244	
Investment in Equity and preference Shares	Refer Note No. 9 to Accounts -do-	

Note 20 : Significant Accounting Policies and Notes on Accounts for the year ended 31st March, 2016

Remuneration to Key managerial Personnel's include remuneration of Chief Financial officer (last year was for part of the year) and Company Secretary apart from Whole-Time Director.

Figures are inclusive of service Tax, wherever applicable and figures in normal font relate to previous year.

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

	For the year ended 31st March,2016	For the year ended 31st March,2015
(I) Basic		
(a) (i) Number of Equity Shares at the beginning of the year	26,415,811	26,415,811
(ii) Number of Equity Shares at the end of the year	26,415,811	26,415,811
(iii) Weighted average number of Equity Shares outstanding during the year	26,415,811	26,415,811
(iv) Face Value of each Equity Share- ₹.	1	1
(b) Profit/(Loss) after tax attributable to Equity Shareholders- ₹. Net Profit/(Loss) after Taxation	<u>(29,064,978)</u>	<u>(14,734,021)</u>
Basic Earning per Share [(b)/(a)(iii)]- ₹.	(1.10)	(0.56)
(II) Diluted		
(a) Diluted Potential Equity Shares	1.10	0.56
(b) Diluted Earning per Share [(b)/I(a)(iii)]- ₹.	(1.10)	(0.56)

6) Minimum Managerial Remuneration paid/payable

	2015-16 (₹)		2014-15 (₹)	
(a) Key Managerial Personnel's Remuneration:				
Salary	1009,301		700,444	
Contribution to Provident Fund	121,117		84,054	
Contribution to Gratuity and Superannuation	48,497		33,641	
Other Benefits (actual and/or estimated)	<u>1,817,571</u>	<u>2,996,486</u>	<u>1,241,416</u>	<u>2,059,555</u>
(b) Other Directors				
Directors' Sitting Fees		<u>58,000</u>		<u>72,000</u>
		<u>3,054,486</u>		<u>2,131,555</u>

Remuneration to Key managerial Personnel's include remuneration of Chief Financial officer (last year was for part of the year) and Company Secretary apart from Whole-Time Director.

- 7) The Company has unabsorbed depreciation and carried forward losses available for set off under the Income- tax Act, 1961. However, in view of inability to assess future taxable income, the extent of net deferred tax assets which may be adjusted in the subsequent years, is not ascertainable with virtual certainty at this stage and accordingly the same has not been recognized in the accounts on prudent basis.
- 8) The Company has no amounts due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) as at 31.03.2016. 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 31.03.2016	Nil
f) Interest remaining due and payable as per Section 23 of the Act	Nil

- 9) Defined Benefit Plans / Long Term Compensated Absences - as per Actuarial Valuations as on March 31, 2016 and recognized in the financial statements in respect of Employee Benefit Schemes.

Note 20 : Significant Accounting Policies and Notes on Accounts for the year ended 31st March, 2016

(Amount in ₹)

I. Components Employer Expense	Gratuity (Funded)	Leave Encashment (Unfunded)
1 Current Service Cost	197,907	104,459
	155,913	68,605
2 Interest Cost	68,553	27,766
	54,427	24,228
3 Expected Return on Plan Assets	(133,946)	—
	(100,889)	—
4 Curtailment Cost / (Credit)	—	—
5 Settlement Cost / (Credit)	—	—
6 Past Service Cost	—	—
	—	—
7 Actuarial Losses / (Gains)	67,570	96,837
	371,051	44,995
8 Total expense recognized in the Statement of Profit & Loss	200,084	229,062
	480,502	137,828
II Actuarial Returns for the period ended March, 2016	—	—
III Net Asset / (Liability) recognized in Balance Sheet as at March 31, 2016		
1 Present Value of Defined Benefit Obligation	786,860	338,199
	878,887	355,974
2 Fair Value on Plan Assets	1,196,179	—
	1,488,290	—
3 Status [Surplus/(Deficit)]	409,319	(338,199)
	609,403	(355,974)
4 Unrecognised Past Service Cost	—	—
	—	—
5 Net Asset/(Liability) recognized in Balance Sheet	409,319	(338,199)
	609,403	(355,974)
IV Change in Defined Benefit Obligations (DBO) during the year ended March 31, 2016	Gratuity (Funded)	Leave Encashment (Unfunded)
1 Present Value of DBO at the Beginning of Period	878,887	355,974
	604,742	269,202
2 Current Service Cost	197,907	104,459
	155,913	68,605
3 Interest Cost	68,553	27,766
	54,427	24,228
4 Curtailment Cost / (Credit)	—	—
5 Settlement Cost / (Credit)	—	—
6 Plan Amendments	—	—
7 Acquisitions	—	—
	—	—
8 Actuarial (Gains)/Losses	27,055	96,837
	399,125	44,995
9 Benefits Paid	(385,542)	(246,837)
	(335,320)	(51,056)
10 Present Value of DBO at the End of Period	786,860	338,199
	878,887	355,974

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

(Amount in ₹)

V	Change in Fair Value of Assets during the year ended March 31, 2016	Gratuity (Funded)	Leave Encashment (Unfunded)
1	Plan Assets at the Beginning of Period	1,488,290	—
		1,494,647	—
2	Acquisition Adjustment	—	—
		—	—
3	Expected Return on Plan Assets	133,946	—
		100,889	—
4	Actuarial Gains/(Losses)	(40,515)	—
		28,074	—
5	Actual Company Contribution	—	246,837
		200,000	51,056
6	Benefits Paid	(385,542)	(246,837)
		(335,320)	(51,056)
7	Present Value of DBO at the End of Period	1,196,179	—
		1,488,290	—
VI Actuarial Assumptions			
1.	Discount Rate (%)	7.80%	7.80%
2.	Expected Return on Plan Assets (%)	9.00%	—
The estimates of future salary increases, considered in actuarial valuations take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.			

Figures in normal font relate to previous year

- 10) Balances of Sundry Debtors, Sundry Creditors and Loans and Advances (Dr. & Cr.) are subject to confirmation from the respective parties.
- 11) 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 : 27th May, 2016

Cash Flow Statement for the Year Ended 31st March, 2016

	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
	(₹)	(₹)	(₹)	(₹)
A. Cash flow from Operating Activities :				
Net Profit / (Loss) before Taxation		(2,90,64,978)		(1,47,34,021)
Adjustments for :				
Depreciation	23,98,261		29,28,809	
Profit/(Loss) on Sale of Fixed Assets	20,04,367		99,202	
Interest Income	(1,94,660)		(1,89,533)	
Finance costs	29,63,253		21,25,674	
Provision for Gratuity/Leave Encashment	(1,09,802)		4,07,754	
Bad Debts/ Sundry balances written off	21,41,006		12,18,989	
Unrealised Foreign Exchange Loss (net)	24,101	92,26,526	1,48,882	67,39,777
Operating profit before Working Capital changes		(1,98,38,452)		(79,94,244)
(Increase)/Decrease of Trade and other receivables	1,36,02,025		1,27,06,057	
Increase/(Decrease) of Current Liabilities and Other Provisions	(10,50,396)	1,25,51,629	(53,83,036)	73,23,021
Cash generated from / (used in) operations		(72,86,823)		(6,71,223)
Direct taxes (paid)/refund (Net)		(15,10,615)		(23,94,813)
Net Cash from / (used in) Operating Activities		(87,97,438)		(30,66,036)
B. Cash flow from Investing Activities :				
Purchase of Fixed Assets	(38,83,581)		(27,300)	
Proceeds from Sale of Assets	9,24,700		50,000	
Interest received from Bank/Others	1,94,660		1,89,533	
Net cash used in Investing Activities		(27,64,221)		2,12,233
C. Cash flow from Financing Activities :				
Finance costs	(11,25,413)		(21,25,674)	
Short Term Borrowings	1,33,13,127		40,39,132	
Net Cash from Financing Activities		1,21,87,714		19,13,458
Net increase / (decrease) in cash and cash equivalents		6,26,055		(9,40,345)
Cash and Cash Equivalents at the beginning of the year		10,66,057		20,06,402
[Refer Note- 13 to Accounts]				
Cash and Cash Equivalents at the end of the year		16,92,112		10,66,057
[Refer Note- 13 to Accounts]				
		6,26,055		(9,40,345)

Notes :

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

(S.S. Gupta)

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

Place : Kolkata
Dated : 27th May, 2016

On behalf of the Board

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



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF USHA MARTIN EDUCATION & SOLUTIONS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated financial statements of USHA MARTIN EDUCATION & SOLUTIONS LIMITED and its subsidiary, which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at 31st March, 2016, and its Loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintain for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the holding company as on 31st March, 2016 taken on record by the Board of Directors of the holding company and the report of the statutory auditors of its subsidiary company incorporated in India, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and its subsidiary incorporated in India and the operating effectiveness of such control, refer to our separate report in Annexure.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company and its subsidiary incorporated in India does not have any pending litigations which would impact its financial position.
 - ii. The Company and its subsidiary incorporated in India did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its Subsidiary Company

Place : Kolkata
Date : May 27th, 2016

For S.Swarup & Co.
Chartered Accountants
Firm's Registration No.: 310089E
S .S. Gupta
(Proprietor)
Membership No. 17897

ANNEXURE TO THE AUDITORS' REPORT

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

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

We have audited the internal financial controls over financial reporting of **USHA MARTIN EDUCATION & SOLUTIONS LIMITED** ("the Company") as of 31st March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.Swarup & Co.
Chartered Accountants
Firm's Registration No.: 310089E
S .S. Gupta
(Proprietor)
Membership No. 17897

Place : Kolkata
Date : May 27th, 2016

Consolidated Balance Sheet as at 31st March, 2016

Particulars	Note no.	As at 31st March, 2016 (Amount in ₹)	As at 31st March, 2015 (Amount in ₹)
I EQUITY AND LIABILITIES			
1) Shareholders' Funds			
(a) Share Capital	1	2,64,15,811	2,64,15,811
(b) Reserves and Surplus	2	14,32,66,250	17,21,63,710
2) Non - Current Liabilities			
(a) Long Term Provisions	3	10,45,193	11,56,148
3) Current Liabilities			
(a) Short Term Borrowings	4	2,76,02,381	1,42,89,254
(b) Trade Payables	5	58,43,113	94,96,565
(c) Other Current Liabilities	6	71,97,114	27,45,439
(d) Short Term Provisions	7	76,71,560	76,70,407
	TOTAL	21,90,41,422	23,39,37,334
II ASSETS			
1) Non - Current Assets			
(a) Fixed Assets	8		
(i) Tangible Assets		2,09,81,993	2,29,20,390
(ii) Intangible Assets		5,19,335	24,685
(b) Non-Current Investments	9	15,50,00,000	15,50,00,000
(c) Long Term Loans and Advances	10	33,33,376	25,32,949
(d) Other Non- Current Assets	11	19,60,000	1,07,69,811
2) Current Assets			
(a) Trade Receivables	12	56,60,554	2,19,37,957
(b) Cash and Cash Equivalents	13	28,18,574	10,80,227
(c) Short Term Loans and Advances	14	2,87,67,590	1,96,71,315
	TOTAL	21,90,41,422	23,39,37,334
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 : 27th May, 2016

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

On behalf of the Board

Prashant Jhawar

Chairman

Debjit Bhattacharya

Whole-time Director

R. N. Chakraborty

Company Secretary

Consolidated Statement of Profit & Loss for the Year Ended 31st March, 2016

Particulars	Note no.	For the Year Ended 31st March, 2016 (Amount in ₹)	For the Year Ended 31st March, 2015 (Amount in ₹)
I Revenue			
Revenue from Operations	15	1,40,76,018	3,43,26,851
Other Income	16	15,40,423	24,09,322
II Total Revenue		1,56,16,441	3,67,36,173
III Expenses			
Employee Benefit Expense	17	1,39,98,576	1,68,62,026
Finance Costs	18	29,63,253	21,25,674
Depreciation and Amortization Expense		23,98,261	29,28,809
Operating and Administrative Expenses	19	2,50,81,811	2,94,16,719
IV Total Expenses		4,44,41,901	5,13,33,228
V Profit before Tax		(2,88,25,460)	(1,45,97,055)
VI Tax Expense: Current Tax		72,000	44,500
VII Profit / (Loss) after tax		(2,88,97,460)	(1,46,41,555)
Earnings per Equity Share:			
(1) Basic		(1.09)	(0.55)
(2) Diluted		(1.09)	(0.55)

Significant Accounting Policies and Notes on Accounts 20

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

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

(S.S. Gupta)

Proprietor

Membership No. 17897

For and on behalf of

S.SWARUP & CO.

Chartered Accountants

Firm Registration No. 310089E

Place : Kolkata

Dated :27th May, 2016

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, 2016 (Amount in ₹)	As at 31st March, 2015 (Amount in ₹)
Note : 1 - SHARE CAPITAL		
a) Authorised		
200,000,000 Equity Shares of ₹ 1/- each (Previous year 200,000,000 Equity Shares of ₹ 1/- each)	200,000,000	200,000,000
1,000,000 10.75% Cumulative Redeemable Preference Shares of ₹ 50/- each	<u>50,000,000</u>	<u>50,000,000</u>
	<u><u>250,000,000</u></u>	<u><u>250,000,000</u></u>
b) Issued, Subscribed and Paid-up		
26,415,811 Equity Shares of ₹ 1/- (Previous year 26,415,811 Equity Shares of ₹ 1/- each)	26,415,811	26,415,811
	<u><u>26,415,811</u></u>	<u><u>26,415,811</u></u>

Note :

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

- c) There has been no Movement in number of shares outstanding at the beginning and at the end of reporting period.
- d) The Company has only one class of issued shares i.e. ordinary equity shares having par value of ₹. 1 per share. Each holder of ordinary shares is entitled to one vote per share and equal right for dividend. No preference and/or restrictions on distribution of dividend and repayment of capital is attached to the above shares.
- e) 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 31.03.2016	% of Equity Shares as on 31.03.2016	No. of Equity Shares as on 31.03.2015	% of Equity Shares as on 31.03.2015
UMIL Share & Stock Broking Services Ltd	30,75,127	11.64	30,75,127	11.64
Peterhouse Investment India Limited	29,68,718	11.24	29,68,718	11.24
Peterhouse Investment Limited	23,88,291	9.04	23,88,291	9.04
Prajeev Investments Limited	20,57,610	7.79	20,57,610	7.79
Deutsche Bank Trust Company Americas	17,99,455	6.81	17,99,455	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, 2016 (Amount in ₹)	As at 31st March, 2015 (Amount in ₹)
Note : 2 - RESERVE AND SURPLUS		
Securities Premium Account		
As per last Account	1,20,249	1,20,249
	<u>1,20,249</u>	<u>1,20,249</u>
General Reserve Account (see note below)		
As per last Balance Sheet	17,20,43,461	18,66,85,016
Add: Transfer from Statement of Profit & Loss	<u>(2,88,97,460)</u>	<u>(1,46,41,555)</u>
	<u>14,31,46,001</u>	<u>17,20,43,461</u>
	<u><u>14,32,66,250</u></u>	<u><u>17,21,63,710</u></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 for any general purpose of the business which may include, meeting future liability or loss, strengthening the financial position of the business/expansion of business etc.		
Note : 3 - Long Term Provisions		
Provision for Employee benefit		
- Gratuity (Funded)	7,18,016	8,11,942
- Leave Encashment (Un-funded)	3,27,177	3,44,206
	<u>10,45,193</u>	<u>11,56,148</u>
Note : 4 - Short Term Borrowings		
Secured : IDBI Overdraft Account		
(Secured against hypothecation of current and movable fixed assets, both present and future and ranking pari passu with the existing lenders for their loans. Also collaterally secured by Escrow account and lien on Fixed Deposit together with future interest)	48,52,381	42,89,254
Unsecured : Loans from corporate bodies		
	2,27,50,000	1,00,00,000
	<u>2,76,02,381</u>	<u>1,42,89,254</u>
Note : 5 - Trade Payables		
For Supplies / Services	39,30,848	55,00,396
Accrued Expenses	19,12,265	39,96,169
	<u>58,43,113</u>	<u>94,96,565</u>
Note : 6 - Other Current Liabilities		
Advance Received from Customers	8,000	46,395
Uearned Revenue	4,70,564	-
Other Payables		
Statutory Dues	9,49,979	8,96,109
Interest on Unseceured Loan	18,37,840	-
Capital Goods	6,18,343	32,136
Employees related liability	33,12,388	17,70,799
	<u>71,97,114</u>	<u>27,45,439</u>
Note : 7 - Short Term Provisions		
Provisions for Taxation	75,91,694	75,91,694
Provision for Employee benefit		
- Gratuity (Funded)	68,844	66,945
- Leave Encashment (Un-funded)	11,022	11,768
	<u>76,71,560</u>	<u>76,70,407</u>

Notes forming part of Consolidated Balance Sheet

Note : 8 - Fixed Assets [Refer Point 2 (b) of Note 20]

(Amount in ₹)

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Balance as at 31st March, 2015	Additions	Sales / Adjustments during the year	Balance as at 31st March, 2016	As at 31st March, 2015	Depreciation Charges for the Year	Sales / Adjustments during the year	Balance as at 31st March, 2016	Balance as at 31st March, 2016	Balance as at 31st March, 2015
A. Tangible Assets										
Building	1,34,72,826	-	-	1,34,72,826	8,69,512	2,13,574	-	10,83,086	1,23,89,740	1,26,03,314
Plant and Equipment	1,18,45,062	96,258	30,92,892	88,48,428	1,09,55,891	81,564	30,60,918	79,76,537	8,71,891	8,89,171
Office Equipment	48,01,166	4,22,742	16,69,378	35,54,530	23,11,033	6,52,592	9,51,033	20,12,592	15,41,938	24,90,133
Furniture & Fixtures	1,12,38,086	28,05,560	47,84,426	92,59,220	51,47,632	11,79,945	26,08,370	37,19,207	55,40,013	60,90,454
Vehicles	19,61,064	-	-	19,61,064	11,13,746	2,08,907	-	13,22,653	6,38,411	8,47,318
	4,33,18,204	33,24,560	95,46,696	3,70,96,068	2,03,97,814	23,36,582	66,20,321	1,61,14,075	2,09,81,993	2,29,20,390
B. Intangible Assets										
Software	35,36,207	5,59,021	8,13,516	32,81,712	35,11,522	61,679	8,10,824	27,62,377	5,19,335	24,685
	35,36,207	5,59,021	8,13,516	32,81,712	35,11,522	61,679	8,10,824	27,62,377	5,19,335	24,685
	4,68,54,411	38,83,581	1,03,60,212	4,03,77,780	2,39,09,336	23,98,261	74,31,145	1,88,76,452	2,15,01,328	2,29,45,075
Previous Year	4,71,26,156	27,300	2,99,045	4,68,54,411	2,11,30,370	29,28,809	1,49,843	2,39,09,336	2,29,45,075	

Notes forming part of Consolidated Balance Sheet

Note : 9- Non Current Investments

Name of the Body Corporate	Subsidiary /Associate /JV/ Controlled Entity /Others	No. of Shares		Quoted/ Unquoted	Partly Paid/ Fully Paid	Extent of Holding		Whether Stated at Cost	As at	As at
		2016	2015			2016	2015		31st March, 2016 (Amount in ₹)	31st March, 2015 (Amount in ₹)
i) Usha Communications Technology Limited, British Virgin Islands	Others	93,96,097	93,96,097	Unquoted	Fully Paid up	15.47	15.47	Cost	5,50,00,000	5,50,00,000
ii) Redtech Network India Private Limited	Associate	5,28,974	5,28,974	Unquoted	Fully Paid up	6.62	6.62	Cost	10,00,00,000	10,00,00,000
Aggregate Amount of Unquoted Investment									15,50,00,000	15,50,00,000

As at
31st March, 2016
(Amount in ₹)

As at
31st March, 2015
(Amount in ₹)

Note : 10 - Long Term Loans and Advances

Security Deposits (Unsecured considered good unless otherwise stated)

Considered Good	29,97,295	20,60,535
MAT Credit Entilement	86,081	1,58,081
Other Loans and Advances (Recoverable in cash or in kind or for value to be received)		
Prepaid expenses	2,50,000	3,14,333
	<u>33,33,376</u>	<u>25,32,949</u>

Note : 11 - Other Non-Current Assets

Fixed Deposit with Bank	7,63,821	92,81,521
(Includes ₹. 7,04,233/- with IDBI Bank Ltd. for availing Working Capital Facility)		
Gratuity (Funded with LIC of India)	11,96,179	14,88,290
	<u>19,60,000</u>	<u>1,07,69,811</u>

Note : 12 - Trade Receivables

(Unsecured considered good unless otherwise stated)

Outstanding for a period exceeding six months

Considered Good	53,90,154	42,12,307
Considered Doubtful	-	-
	<u>53,90,154</u>	<u>42,12,307</u>
Provision for doubtful receivables	-	-
	<u>4,212,307</u>	<u>42,12,307</u>
Other Receivables		
Considered Good	2,70,400	1,77,25,650
Considered Doubtful	-	-
	<u>2,70,400</u>	<u>1,77,25,650</u>
	<u>56,60,554</u>	<u>2,19,37,957</u>

Notes forming part of Consolidated Balance Sheet

	As at 31st March, 2016 (Amount in ₹)	As at 31st March, 2015 (Amount in ₹)
Note : 13 - Cash and Cash Equivalents		
Cash on Hand	16,482	32,942
Balances with Banks	25,28,355	10,47,285
Remittance in Transit	2,73,737	-
Fixed Deposit with Bank (with IDBI Bank Ltd. for availing Working Capital Facility)	7,63,821	7,04,233
Less: Non Current portion transferred to Other Non-Current Assets (Ref. Note No. 11)	7,63,821	7,04,233
	<u>28,18,574</u>	<u>10,80,227</u>
Note : 14 - Short Term Loans and Advances		
Other Loans and Advances (Recoverable in Cash or in kind or for value to be received)		
Intercompany Deposits	75,00,000	-
Advance Payment of Taxes	1,98,74,574	1,82,02,274
Advance against supplies of Goods and Services	4,06,819	2,76,578
Prepaid Expenses	8,62,769	10,64,541
Advance /Loans to Employees	93,921.00	1,27,922
Interest Receivable	29,507	-
	<u>2,87,67,590</u>	<u>1,96,71,315</u>

Notes forming part of Consolidated Statement of Profit and Loss

	For the Year Ended 31st March, 2016 (Amount in ₹)	For the Year Ended 31st March, 2015 (Amount in ₹)
Note : 15 - Revenue from Operations		
Income from Learning Business (Tax deducted at Source ₹. 528,377/- , Previous Year ₹. 1,241,594/-)	1,40,76,018	3,43,26,851
	<u>1,40,76,018</u>	<u>3,43,26,851</u>
Note : 16 - Other Income		
Interest Income on		
Fixed Deposit with Bank (Tax deducted at Source ₹. 65,027/- , Previous Year ₹. 77,076/-)	6,82,040	7,70,797
Others (Tax deducted at Source ₹.3,279/-, Previous Year ₹. Nil)	32,786	-
Liabilities no longer required written back	-	9,649
Income on Planned Assets (Gratuity)	1,28,451	1,28,963
Service Charges (Tax deducted at Source ₹. Nil, Previous Year ₹. Nil)	-	14,99,913
Foreign Exchange Fluctuation Gain (Net)	97,146	-
Miscellaneous Receipts (Tax deducted at Source ₹.12,000/-, Previous Year ₹. 1,14,468)	6,00,000	-
	<u>15,40,423</u>	<u>24,09,322</u>
Note : 17 - Employee Benefit expenses		
Salaries and Bonus	1,25,05,890	1,52,41,215
Contribution to Provident Fund and other Funds	13,13,928	14,46,191
Staff Welfare Expenses	1,78,758	1,74,620
	<u>1,39,98,576</u>	<u>1,68,62,026</u>
Note : 18 - Finance Costs		
(No Borrowing Cost has been Capitalized during the year)		
Interest on Working Capital Loan from Bank	6,22,828	5,72,091
Other Borrowing Cost	23,26,925	15,41,083
Others	13,500	12,500
	<u>29,63,253</u>	<u>21,25,674</u>

Notes forming part of Consolidated Statement of Profit and Loss

	For the Year Ended 31st March, 2016 (Amount in ₹)	For the Year Ended 31st March, 2015 (Amount in ₹)
Note : 19 - Operating and Administrative Expenses		
Travelling and Conveyance	9,38,918	16,92,675
Communication	8,92,607	11,16,832
Power	7,46,430	9,52,805
Maintenance expenses	20,16,579	16,36,323
Rent (Including Lease Rent)	25,52,380	29,70,900
Insurance	1,45,462	1,62,308
Computer Consumables	1,24,903	84,287
Professional and Consultancy charges	63,69,493	1,07,71,952
Legal & Secreterial	10,87,454	8,12,179
Marketing and Advertisement	12,49,088	6,06,195
Business Development	2,245	8,726
Printing and Stationery	6,71,059	16,39,398
Brokerage and Commission	20,000	5,000
Hire charges	4,80,000	15,03,337
Registration and Courseware	22,89,460	21,75,923
Directors Meeting Fees	58,000	72,000
Pre-Operative Expenses written Off	-	3,32,937
Auditors' Remuneration		
For Statutory Audit	110,000	110,000
For Tax Audit	25,000	25,000
	135,000	135,000
Rates and Taxes	6,900	13,650
Loss on Discard of Fixed Assets	20,04,367	99,202
Bank Charges	75,647	73,664
Foreign Exchange Fluctuation Loss (Net)	-	1,48,882
Bad Debts/Sundry Balances written off (Net)	21,41,006	12,18,989
Miscellaneous Expenses	10,74,813	11,83,555
	2,50,81,811	2,94,16,719

Note 20 : Significant Accounting policies and Notes on Accounts for the year ended 31st March, 2016

1 SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

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

a) Consolidation

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

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

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

Note 20 : Significant Accounting policies and Notes on Accounts for the year ended 31st March, 2016

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.

b) Fixed Assets and Depreciation

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

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

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

c) Investments

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

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

d) Revenue Recognition

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

Revenue from operations is accounted for net of Service Tax.

e) Use of estimates

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

f) Current and Non-Current assets and liabilities

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

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

g) Foreign Currency Transactions

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

h) Leases

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

i) Employee Benefits

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

Note 20 : Significant Accounting policies and Notes on Accounts for the year ended 31st March, 2016

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 borrowing costs are recognized as expense in the period in which these are incurred.

l) **Contingencies**

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

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

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

n) **Miscellaneous Expenditure**

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

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

4) **Foreign Currency Earnings & Outgo:**

a) Expenditure in foreign currency:

	2015-16 (₹)	2014-15 (₹)
Listing Fees	187,643	174,975
Travel Expenses	34,124	

b) Earnings in foreign currency:

	2015-16 (₹)	2014-15 (₹)
Management Training, Educational Consultancy, Market Research and Delivery of modules for H & D Business Studies and Computing Status.	8,477,540	9,480,486

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

(i) **Related Parties**

<u>Name</u>	<u>Relationship</u>
Usha Martin Education Private Limited.	Subsidiary
Usha Martin Limited.	Substantial interest in Voting power of the entity
Usha Breco Edutional Infrastructure Limited	- do -
Redtech Network India Private Limited.	- do -
DSI archer Private Limited.	Common Director
Jhwar Impact Ventures Private Limited.	- do -
Jhwar Venture Management Private Limited.	- do -
Usha Martin Ventures Limited.	- do -
Pars Consultancy & Services Private Limited.	- do -
Peterhouse Investments India Limited.	- do -
Rahul Chaudhary	Key Managerial Personnel
Debjit Bhattacharya (Whole-time Director)	Key Managerial Personnel

Note 20 : Significant Accounting policies and Notes on Accounts for the year ended 31st March, 2016

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

(i) Related Parties

Name	Relationship
Ravindra Kumar Goenka	Key Managerial Personnel
Vinay Kumar Gupta (Chief Financial officer)	Key Managerial Personnel
Ranendranath Chakraborty (Company Secretary)	Key Managerial Personnel

ii) Particulars of Transactions during the year ended 31st March, 2016

Particulars	Subsidiaries and Associates (₹)	Key Managerial Personnel (₹)
Rent Paid (including lease Rent)	1,841,022	-
	1,816,861	-
Key Managerial Personnel's Remuneration	-	2,996,486
	-	2,059,555
Service Charges	-	-
	444,042	-
Training Fees	1,145,000	
	-	
Sale of Fixed Assets	524000	
	-	
Interest Paid	776,925	
	-	
Reimbursement of Expenses	12,44,436	
	-	
Unsecured Loans :		
Taken during the year	14,450,000	
Repaid during the year	1,700,000	
	-	
	-	
Balances outstanding at the year end	13,445,244	
Investment in Equity and Preference Shares	Refer Note No. 9 to Accounts	
	-do-	

Remuneration to Key Managerial Personnel's include remuneration of Chief Financial officer (last year was for part of the year) and Company Secretary apart from Whole-Time Director.

Figures inclusive of service Tax, wherever applicable and figures in normal font relate to previous year

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

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
(I) Basic		
(a) (i) Number of Equity Shares at the beginning of the year	26,415,811	26,415,811
(ii) Number of Equity Shares at the end of the year	26,415,811	26,415,811
(iii) Weighted average number of Equity Shares outstanding during the year	26,415,811	26,415,811
(iv) Face Value of each Equity Share- ₹.	1	1
(b) Profit/(Loss) after tax attributable to Equity Shareholders- ₹.		
Net Profit/(Loss) after Taxation	<u>(28,897,460)</u>	<u>(14,641,555)</u>
Basic Earning per Share [(b)/(a)(iii)]- ₹.	(1.09)	(0.55)
(II) Diluted		
(a) Diluted Potential Equity Shares	-	-
(b) Diluted Earning per Share [I(b)/I(a)(iii)]- ₹.	(1.09)	(0.55)

Note 20 : Significant Accounting policies and Notes on Accounts for the year ended 31st March, 2016

7) Minimum Managerial Remuneration paid/payable

	(₹)	2015 - 16 (₹)	(₹)	2014 - 15 (₹)
(a) Key Managerial Personnel's Remuneration:				
Salary	1,009,301		700,444	
Contribution to Provident Fund	121,117		84,054	
Contribution to Gratuity and Superannuation	48,497		33,641	
Other Benefits (actual and/or estimated)	<u>1,817,571</u>	2,996,486	<u>1,241,416</u>	2,059,555
(b) Other Directors				
Directors' Sitting Fees		<u>58,000</u>		<u>72,000</u>
		<u>3,054,486</u>		<u>2,131,555</u>

Remuneration to Key managerial Personnel's include remuneration of Chief Financial officer last year was for part of the year and Company Secretary apart from Whole-Time Director.

8) The Company has unabsorbed depreciation and carried forward losses available for set off under the Income-tax Act, 1961. However, in view of inability to assess future taxable income, the extent of net deferred tax assets which may be adjusted in the subsequent years, is not ascertainable with virtual certainty at this stage and accordingly the same has not been recognized in the accounts on prudent basis.

9) The Company has no amounts due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) as at 31.03.2016. 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 31.03.2016	Nil
f) Interest remaining due and payable as per Section 23 of the Act	Nil

10) Defined Benefit Plans / Long Term Compensated Absences - as per Actuarial Valuations as on March 31, 2016 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	197,907	104,459
	155,913	68,605
2 Interest Cost	68,553	27,766
	54,427	24,228
3 Expected Return on Plan Assets	(133,946)	-
	(100,889)	-
4 Curtailment Cost / (Credit)	-	-
5 Settlement Cost / (Credit)	-	-
6 Past Service Cost	-	-
7 Actuarial Losses / (Gains)	67,570	96,837
	371,051	44,995
8 Total expense recognized in the Statement of Profit & Loss	200,084	229,062
	480,502	137,828

Note 20 : Significant Accounting policies and Notes on Accounts for the year ended 31st March, 2016

(Amount in ₹)

	Gratuity (Funded)	Leave Encashment (Unfunded)
II Actuarial Returns for the year ended March, 2016	–	–
III Net Asset / (Liability) recognized in Balance Sheet as at March 31, 2016		
1 Present Value of Defined Benefit Obligation	786,860	338,199
	878,887	355,974
2 Fair Value on Plan Assets	1,196,179	–
	1,488,290	–
3 Status [Surplus/(Deficit)]	409,319	(338,199)
	609,403	(355,974)
4 Unrecognised Past Service Cost	–	–
	–	–
5 Net Asset/(Liability) recognized in Balance Sheet	409,319	(338,199)
	609,403	(355,974)

(Amount in ₹)

	Gratuity (Funded)	Leave Encashment (Unfunded)
IV Change in Defined Benefit Obligations (DBO) during the year ended March 31, 2016		
1 Present Value of DBO at the Beginning of Period	878,887	355,974
	604,742	269,202
2 Current Service Cost	197,907	104,459
	155,913	68,605
3 Interest Cost	68,553	27,766
	54,427	24,228
4 Curtailment Cost / (Credit)	–	–
	–	–
5 Settlement Cost / (Credit)	–	–
	–	–
6 Plan Amendments	–	–
	–	–
7 Acquisitions	–	–
	–	–
8 Actuarial (Gains)/Losses	27,055	96,837
	399,125	44,995
9 Benefits Paid	(385,542)	(246,837)
	(335,320)	(51,056)
10 Present Value of DBO at the End of Period	786,860	338,199
	878,887	355,974

Note 20 : Significant Accounting policies and Notes on Accounts for the year ended 31st March, 2016

(Amount in ₹)

V Change in Fair Value of Assets during the year ended March 31, 2016	Gratuity (Funded)	Leave Encashment (Unfunded)
1 Plan Assets at the Beginning of Period	1,488,290	—
	1,494,647	—
2 Acquisition Adjustment	—	—
	—	—
3 Expected Return on Plan Assets	133,946	—
	100,889	—
4 Actuarial Gains/(Losses)	(40,515)	—
	28,074	—
5 Actual Company Contribution	—	246,837
	200,000	51,056
6 Benefits Paid	(385,542)	(246,837)
	(335,320)	(51,056)
7 Present Value of DBO at the End of Period	1,196,179	—
	1,488,290	—

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

Figures in normal font relate to previous year

- 11) Balances of Sundry Debtors, Sundry Creditors and Loans and Advances (Dr. & Cr.) are subject to confirmation from the respective parties.
- 12) Previous year figures have been regrouped / rearranged wherever necessary.

(S.S. Gupta)

Proprietor

Membership No. 17897

For and on behalf of

S.SWARUP & CO.

Chartered Accountants

Firm Registration No. 310089E

Place : Kolkata

Dated : 27th May, 2016

On behalf of the Board

Prashant Jhavar

Chairman

Debjit Bhattacharya

Whole-time Director

R. N. Chakraborty

Company Secretary

**Consolidated Cash Flow Statement for the Year Ended 31st March, 2016**

	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
	(₹)	(₹)	(₹)	(₹)
A. Cash flow from Operating Activities :				
Profit after Non- recurring Items and before Taxation		(2,88,25,460)		(1,45,97,055)
Adjustments for :				
Depreciation	23,98,261		29,28,809	
Profit/(Loss) on Sale of Fixed Assets	20,04,367		99,202	
Interest Income	(8,43,277)		(8,99,760)	
Finance costs	29,63,253		21,25,674	
Provisions/Liabilities no longer required written back			(9,649)	
Provision for Gratuity/Leave Encashment	(1,09,802)		4,07,754	
Bad Debts/ Sundry balances written off	21,41,006		12,18,989	
Pre-Operative Expenses written-off			3,32,937	
Unrealized Foreign Exchange Loss (net)	24,101		1,48,882	
		<u>85,77,909</u>		<u>63,52,838</u>
Operating profit before Working Capital changes		(2,02,47,551)		(82,44,217)
(Increase)/Decrease of Trade and other receivables	1,35,56,136		1,29,58,391	
Increase/(Decrease) of Current Liabilities and Other Provisions	(10,47,336)		(53,27,357)	
		<u>1,25,08,800</u>		<u>76,31,034</u>
Cash generated from operations		(77,38,751)		(6,13,183)
Direct taxes (paid)/refund (Net)		(16,72,300)		(26,17,822)
		<u>(94,11,051)</u>		<u>(32,31,005)</u>
Net Cash Flow from Operating Activities				
B. Cash flow from Investing Activities :				
Purchase of Fixed Assets	(38,83,581)		(27,300)	
Proceeds from Fixed Deposit	91,34,713			
Reinvestment in Fixed Deposit	(5,57,425)		(5,95,758)	
Intercorporation of Fixed Deposit	(75,00,000)			
Proceeds from Sale of Assets	9,24,700		50,000	
Interest received from Bank/Others	8,43,277		8,99,760	
		<u>(10,38,316)</u>		<u>3,26,702</u>
Net cash used in Investing Activities				
C. Cash flow from Financing Activities :				
Finance costs	(11,25,418)		(21,25,674)	
Short Term Borrowings	1,33,13,127		40,39,182	
		<u>1,21,87,714</u>		<u>19,13,458</u>
Net increase in cash and cash equivalents during the year (A+B+C)		17,38,347		(9,90,845)
Cash and Cash Equivalents at the beginning of the year [Refer Note- 13 to Accounts]		10,80,227		20,71,072
Cash and Cash Equivalents at the end of the year [Refer Note- 13 to Accounts]		<u>28,18,574</u>		<u>10,80,227</u>
		<u>17,38,347</u>		<u>(9,90,845)</u>

Notes :

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

(S.S. Gupta)

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

On behalf of the Board

Prashant Jhawar

Chairman

Debjit Bhattacharya

Whole-time Director

R. N. Chakraborty

Company Secretary

Place : Kolkata

Dated : 27th May, 2016