



# USG Tech Solutions Limited

2013 - 2014   
15TH ANNUAL REPORT



USG Tech

*Futuristic Solutions...*

**Contents**

1. Notice .....	Page 1
2. Directors' Report .....	Page 9
3. Annexure to Directors' Report .....	Page 12
4. Management Discussion and Analysis Report .....	Page 13
5. Corporate Governance Report .....	Page 15
6. Auditors' Report .....	Page 24
7. Balance Sheet as at 31 <sup>st</sup> March, 2014 .....	Page 28
8. Profit and Loss Account for the year ending 31 <sup>st</sup> March, 2014 .....	Page 29
9. Cash Flow Statements .....	Page 30
10. Significant Accounting Policies .....	Page 31
11. Notes forming part of Financial Statements .....	Page 33
12. Proxy Form .....	Page 41
13. Attendance Slip .....	Page 42

**CORPORATE INFORMATION**

**Board of Directors**

Mr. Servesh Gupta-Whole Time Director  
Mr. Satish Kumar Gupta  
Mr. Anil Kumar Gupta  
Mr. Umesh Sharma

**Company Secretary**

Ms. Mala Sharma

**Registered Office**

H.No. 1/95/1/5-6 2<sup>nd</sup> Floor Guttala Begumpet  
near Kavuri Hills Phase 2 Madhapur  
Hyderabad – 500081.

**Registrar and Transfer Agent**

M/s Bigshare Services Private  
Limited, E-2/3, Ansa Industrial  
Estate, Sakivihar Road, Sakinaka,  
Andheri (East), Mumbai - 400 072

**Auditors**

M/s PVR-N & Co.,  
Chartered Accountants

**Bankers**

HDFC Bank, New Delhi  
HDFC Bank, Noida  
IDBI Bank, New Delhi  
YES Bank, New Delhi

**15th Annual General Meeting on Monday, the 29th day of September, 2014 at H.No. 1/95/1/5-6 2nd Floor  
Guttala Begumpet near Kavuri Hills Phase 2 Madhapur, Hyderabad – 500081**

**NOTICE**

Notice is hereby given that the 15th Annual General Meeting of USG Tech Solutions Ltd will be held on Monday, 29th September, 2014 at 16:00 Hrs. at the registered office of the Company at H.No. 1/95/1/5-6, 2nd Floor, Guttala Begumpet, near Kavuri Hills, Phase-2, Madhapur, Hyderabad- 500081, to transact the following business:-

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2014 and the Statement of Profit and Loss for the year from 1st April, 2013 to 31st March, 2014 together with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr Satish Kumar Gupta, who retires by rotation and being eligible, seeks re-appointment.
3. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED** that pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, Udit Aggarwal & Associates, Chartered Accountants (Firm Registration No. 026161N) be and is hereby appointed as Auditors of the Company to hold office from the conclusion of 15th Annual General Meeting (AGM) till the conclusion of 18th Annual General Meeting (AGM) of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM), at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

**SPECIAL BUSINESS****4. Alteration in Object Clause in Memorandum of Association of the Company**

To consider and if thought fit, to pass with or without modification the following resolution as a **Special Resolution through Postal ballot**:

**“RESOLVED THAT** pursuant to the provisions of section 13 and section 110 of the Companies Act, 2013 ; Companies (Management and Administration) Rules, 2014 and other applicable provisions, if any, and subject to the approval of the Registrar of Companies and other competent government authorities, if required, Clause III (Objects Clause) of the Memorandum of Company be and is hereby altered by inserting Association of the following new clauses as sub-clause 17 to 18 immediately after the existing sub-clause 16 in Part B containing the “Objects Incidental or ancillary to the attainment of the main objects”:

17. To print and publish, buy and sell, distribute, import, export and otherwise deal with books on science, technology, engineering including periodicals, journals and magazines, either at author’s risk or on payment of royalty by the publishers on the terms and conditions agreed to by the publishers and author by purchasing out right the copy right or the manuscript or to reprint and re-publish books which have been published before and on any subject or theme on terms and conditions to be settled by and between the authors and publisher to market books, printed and published either by the company or others and publications of newspaper and house magazine, maps, charts, literature for children, brochures and similar works and to print paintings and photographs in black and white or in colors.

18. To invest the capital and other money of the company in the purchase or upon the security of and to buy, sell, or otherwise deal in shares, stocks, units, debentures, debenture stock bonds, mortgages, obligations and securities of any

kind issued or guaranteed by any company, corporation or undertaking of whatever nature whether incorporated or otherwise.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to agree to such changes/ modifications as may be suggested by the Registrar of Companies or other competent authority or that may otherwise deem fit by the Board and to take such other steps as may be required to give effect to this resolution.”

**5. To change the registered office of the Company from the one state to another state**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution through Postal ballot**:

“**RESOLVED THAT** pursuant to the provisions of section 4, 12, 13(4) and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Passing of the Postal Ballot) Rules, 2001, and subject to the confirmation of the Company Law Board, the consent of the Shareholders of the Company be and is accorded for shifting the Registered Office of the Company from the State of Telangana to the National Capital Territory of Delhi and the existing clause II of the Memorandum of Association of the Company be substituted as under:

II. The Registered office of the Company will be situated in the National Capital Territory of Delhi

**RESOLVED FURTHER THAT** on the confirmation by the Regional Directorate, the Registered Office of the Company be transferred from the state of Telangana to the National Capital Territory of Delhi.

**RESOLVED FURTHER THAT** for giving effect to this resolution, the Board of Directors be and is hereby authorized to do all such acts, deeds and things as the Board may, in its absolute discretion, consider necessary, expedient usual proper or incidental and to delegate any or all or any of the aforementioned powers, to any Committee of the Board or to one or more directors or officers of the Company.”

By the order of the Board of Directors

Place : Noida  
Date : 29th August, 2014

Sd/-  
Mala Sharma  
Company Secretary

**NOTES**

- (a) The relative explanatory statement, pursuant to Section 102(2) of the Companies Act, 2013 in respect of items no. 3 to 5 are annexed hereto.
- (b) The relevant details as required under clause 49 of the Listing Agreements entered into with the Stock Exchanges, of persons seeking appointment/re-appointment as Director under Item No. 2 of the Notice, are also annexed.
- (c) **A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies and such proxy need not be a member of the company. The instrument appointing proxy should be deposited at the registered office of the company, not less than 48 hours before the commencement of the meeting, must be supported by appropriate resolutions/authority, as applicable.**
- (d) The register of Members and Transfer Books of the Company will be closed from Tuesday, 23rd September, 2014 to Monday, 29th September, 2014, both days inclusive.
- (e) The Notice of the AGM along with the Annual Report 2013-14 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
- (f) Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents (RTA), Bigshare Services Pvt Ltd to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to RTA.
- (g) Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or RTA for assistance in this regard.
- (h) Members / Proxies should bring the Attendance slip duly filled in for attending the meeting along with their copy of the Annual Report.
- (i) In accordance with section 20 of the Companies Act, 2013 service of documents on members by a company is allowed through electronic mode. Accordingly, as a part of Green Initiative, soft copy of the Annual Report for the year ended March 31, 2014 has been sent to all the members whose email address (es) are registered with the Company/Depository Participant(s) unless any member has requested for a hard copy of the same. Further, in terms of SEBI Circular No. CIR/CFD/DIL/7/2011 dated 05.10.2011 the hard copies of Annual Report have been sent to all other members who have not registered their email address (es). Members, who have not yet registered their email address with the Company/RTA/Depository Participant, are requested to do the same at the earliest. Members holding shares in dematerialized form are requested to register their email address with their Depository Participant only. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon receipt of request for the same, free of cost. The Notice of the Annual General Meeting and the Annual Report for 2013-14 will also be available on the Company's website [www.usgtechsolutions.com](http://www.usgtechsolutions.com) for download by the members. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during business hours.
- (j) All documents referred to in the accompanying Notice and Explanatory Statement shall be open for inspection at the registered office of the Company.

**(k) Voting through electronic means for Annual General Meeting and for Postal Ballot Resolution**

- i. Pursuant to the provisions of Section 108 and/or 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the company is pleased to provide the members facility to exercise their right to vote at the Annual General Meeting and for Postal Ballot by electronic means and the business may be transacted through e-voting services provided by Central Depository Services Limited (CDSL).
- ii. The Board of Directors have appointed Mr Sanjay Chug, Company Secretary in practice as the Scrutinizer, for conducting the e voting process in a fair and transparent manner.
- iii. Members are requested to carefully read the instructions for e-voting before casting their vote.
- iv. The e-voting facility will be available during the following voting period after which the portal will be blocked and shall be available for e-voting.

Commencement of e-voting	From 09:00 a.m. (IST)
End of e-voting	Upto 06:00 p.m. (IST)

- v. The cut off date (i.e. the record date) for the purpose of e-voting is 22nd August, 2014.

**A. The procedure and instruction for e-voting are as under:**

1. Open your web browser during the voting period by period by typing the URL: <https://evoting.bigshare.com>
2. Enter login credential (i.e. USER ID and password mentioned in the email forwarding the Notice of AGM, in case email Id is not registered and physical copy of the Annual report is being received by you). Your Folio No./ DP ID Client ID will be your User Id. However, if you hold shares in Demat form and you are already registered with Bigshare Services Pvt Ltd for e-voting, you shall use your existing User ID and password for casting your vote.
3. After entering these details appropriately, click on LOGIN.
4. You will now reach password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@, #, \$ etc). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc on first login. You will also be required to enter a secret question and answer of your choice to enable you to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other and that you take utmost care to keep your password confidential.
5. You need to login again with the new credentials.
6. On successful login, the system will prompt you to select the Event Number for USG Tech Solutions Ltd.
7. On the voting page you will see the Resolution Description and the options "FOR/AGAINST/ABSTAIN" for voting. Enter the number of shares (which represent the number of votes) as on cut off date under "FOR/ AGAINST" or alternatively , you may partially enter any number in "FOR/AGAINST" taken together should not exceed your total shareholding as on the option "ABSTAIN" in case you don not want to cast vote.
8. You may then cast your vote by selecting an appropriate option and click on "Submit".
9. A Confirmation box will be displayed, Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the Resolutions.

10. Members holding multiple folios / demat accounts shall choose the voting process separately for each of the folios/ demat accounts.
  11. Corporate/ Institutional Members (i.e. other than individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID:schugh\_pcs@yahoo.co.in with a copy to evoting@bigshareonline.com . The Scanned image of the above mentioned documents should be in the naming format "Corporate Name\_Event No."
  12. Once the vote on a resolution is cast by Member, the Member shall not be allowed to change it subsequently. Further the members who have casted their vote electronically shall not be allowed to vote again at the meeting.
  13. In case of any query pertaining to e-voting, please contact Bigshare Services Pvt Ltd
  14. The voting rights of the members shall be in proportion to the paid up value of their shares in the equity capital of the Company as on the cut off date (i.e. the record date), being 22nd August, 2014.
  15. The scrutinizer shall after the conclusion of e-voting period and before the closing of working hours on September 27, 2014 unblock the votes in the presence of at least two (2) witnesses not in the employment of the company and will make a Scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
  16. The Scrutinizer's decision on the validity of the vote shall be final and binding.
  17. The results on resolutions shall be declared on or after the AGM of the Company and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes cast in favour or against, if any, forthwith to the chairman of the Chairman.
  18. The result declared along with the Scrutinizer's report shall be placed on the website of the Company (www.usgtechsolutions.com) and on RTA's website (www.bigshareonline.com) within 2 (two) days of passing of the resolutions at the AGM and communicated to the Stock Exchanges where the Company Shares are listed.
- B. In case a member receives physical copy of Notice of AGM and for Postal Ballot (for members whose email IDs are not registered with the Company/Depository Participant or requesting physical copy)
- 1) Initial password will be provided separately:

EVEN (E Voting Event Number)	USER ID	PASSWORD/PIN
  - 2) Please follow all steps from 1 to 18 above, to cast your vote electronically.
- vi. Scrutinizer decision on the validity of the forms will be final. In the event a member casts his votes through both the processes, the votes in the electronically system would be considered and the Postal Ballot vote would be ignored.
  - vii. The e-voting period commences for AGM on 25th September, 2014 and ends on 27th September, 2014 and period for e-voting commence for postal ballot on 29th August and ends on 28th September, 2014. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on cut-off date of 22nd August, 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast, the member(s) shall not be allowed to change it subsequently.

- viii. The Scrutinizer shall within a period of not exceeding 3(three) working days from conclusion of the e-voting period unblock the votes cast in the presence of at least 2(two) witnesses not in the employment of the Company and prepare a Scrutinizer's Report forthwith to the Chairman of the Company.
- ix. The Results shall be declared on or after the date of the AGM. The Results declared along with the Scrutinizer Report shall be placed on the website of CDSL within 2(two) days of passing of the Resolutions at the AGM of the Company and communicated to BSE Limited.

### **Explanatory Statement Pursuant to section 102 of the Companies Act, 2013 and Pursuant to Clause 49 to the Listing Agreement**

#### **Item No 3.**

M/s PVR-N & Co., Chartered Accountant, the existing auditors of the Company has expressed their unwillingness for re-appointment and who have to vacate their office at the conclusion of this meeting.

The Company has received a notice from a member alongwith a letter informing the eligibility signifying his intention to appoint M/s Udit Aggarwal & Associates, Chartered Accountants to fill the Casual vacancy.

Therefore the board recommend to pass necessary resolution by way of ordinary resolution to appoint M/s Udit Aggarwal & Associates, Chartered Accountants to hold office of the auditor of the Company till the conclusion of 18th Annual General Meeting of the Company on the remuneration as may be decided by the Board.

None of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed ordinary resolution as set out at Item No. 3 of this Notice.

#### **Item No. 4**

Your management may propose to carry on some other business activities in future apart from the existing business activities of the Company to increase the business and profitability of the Company. To enable the Board to commence other activities in future it is proposed to amend the objects clause by inserting sub-clauses 16 to 17 in the "Objects Incidental or ancillary to the attainment of the main objects" clause of the Memorandum of Association of the Company. It is also proposed to authorize the Board to adopt 16 to 17 of Clause III-B of the Memorandum of Association of the Company and to commence and carry on all or any one or more of the businesses and activities as mentioned in these sub-clauses.

Your Directors recommend that the special resolution be passed. Further, pursuant to Section 110 of the Companies Act, 2013, Such Special Resolution required to be passed by means of a postal ballot.

The Board of Directors accordingly recommends the resolution set out in the Notice for the approval of the Member. Your approval is sought by voting by Postal Ballot in terms of the provisions of Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 and other applicable provisions of the Act.

Accordingly, consent of the members is sought for approving the Special Resolution by Postal Ballot as set out in Item No. 4 for alteration in Object Clause of memorandum of Association of the Company by the shareholders at the ensuing Annual General Meeting of the Company.

None of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed special Resolution as set out at Item No. 4 of this Notice.



**Item No. 5**

Currently, the registered office of the Company is situated at Hyderabad, in the state of Telangana and the corporate office of the Company is situated within the National Capital Territory of Delhi. Further, the corporate office at NCR Region is the place from where all the policy decisions are being taken by your management. Moreover the majority of Directors are also residing in Delhi. For strategic reasons and for administrative convenience, it would be more advantageous to the Company to have its Registered Office in the National Capital Territory of Delhi instead of Hyderabad. This would also facilitate the Company to carry out its business more economically and more efficiently. To achieve this objective it is proposed to change the registered office of the Company from the State of Telangana to the National Capital Territory of Delhi.

In terms of Section 13 and other applicable provisions, if any of the Companies Act, 2013, shifting of registered office of the Company from one state to another is subject to the approval of Shareholders and also confirmation from the Company Law Board. As per Section 110 of the Companies Act, 2013 your approval is being sought through Postal Ballot for passing special resolutions as set out in the Notice. Accordingly, your Board recommends the above resolutions for your approval.

None of the directors of the company is, in any way, concerned or interested in the said resolution except to the extent of their respective shareholding.

By the order of the Board of Directors

Place : Noida  
Date : 29th August, 2014

Sd/-  
Mala Sharma  
Company Secretary

**ANNEXURE TO NOTICE**

**Information under clause 49 of the Listing Agreements regarding the Directors seeking re-appointment in the Annual General Meeting**

<b>Particulars</b>	<b>Mr. Satish Kumar Gupta</b>
Educational Qualification	Bachelor of Engineering
Experience & expertise in specific functional area	Experience in the field of Real Estate Development, Construction, Project & Construction Management.
Name of Companies in which the person holds directorship	Bhawna Realtors Pvt Ltd In-n-out Highway Motel Pvt Ltd Yash Buildcon Pvt Ltd Devam U S Realtors Pvt Ltd S G Buildtech Pvt Ltd ONS Realtors Pvt Ltd SKG Tradelink Pvt Ltd USG Estate Pvt Ltd USG Buildcon Pvt Ltd SVKL Properties Pvt Ltd LUV Real Estate Pvt Ltd USG Tech Solutions Ltd Niskarsh Properties Pvt Ltd Lakhanpur Coal Carriers Pvt Ltd Gajraj Carriers Pvt Ltd
Name of Companies in which the person holds membership of Committee	NIL
Shareholding in the Company (Number & %)	11,43,000 & 2.90%

**Directors' Report**

Dear Members,

Your Directors are delighted to present the 15th Annual Report on the business and operations for the Financial Year ended 31st March, 2014:

**Financial & Operational Highlights :***(Rs. In Lacs)*

<b>PARTICULARS</b>	<b>Year ended 31st March, 2014</b>	<b>Year ended 31st March, 2013</b>
Income	335.52	644.88
Expenditure	336.48	640.02
Profit Before Tax	-0.95	4.86
Provision For Tax	-	0.72
Profit Before Deferred Tax	-0.95	4.14
Provision For Deferred Tax	-1.35	0.78
Net Profit/loss After Taxation	0.40	3.36
Equity Share Capital (F.V Rs.10 each)	394.14	339.64
Reserve & Surplus	195.44	194.67
Basic Earning per Share	-	0.01

**Year in Retrospect**

During the year under review, the Company's Gross turnover reduced marginally from 644.88 Lacs previous year to 335.52 Lacs current year. The Current years working resulted into a profit of Rs 0.40 Lacs has compared to Rs 3.36 Lacs profit in the immediately preceding previous year. Your Directors are putting in their best efforts to improve the performance of the Company.

**Material Changes etc.**

Save as mentioned elsewhere in this Report, no material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company 31st March, 2014 and the date of this Report.

**Dividend**

In view of loss suffered by the Company, your Directors regret their inability to recommend any dividend.

**Public Deposits**

During the year under report, your Company did not accept any deposits from the public in terms of the provisions of section 58A & 58AA of the Companies Act, 1956.

**Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**

a. **Conservation of Energy & Technology Absorption:** Since the Company is not engaged in any manufacturing activity, issues relating to conservation of energy and technology absorption are not quite relevant to its functioning.

b. **Export Activities:** During the year under review, the Company has undertaken Offshore activities for software customization.

c. **Foreign Exchange Earnings and Outgo :** (Rs. In Lacs)

Particulars	2013-14	2012-13
Total Foreign Exchange earnings	NIL	168.02
Total Foreign Exchange outgo	NIL	587.14

#### Particulars of Employees

During the financial year under review, none of the Company's employees was in receipt of remuneration as prescribed under section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, and hence no particulars are required to be disclosed in this Report.

#### Directors

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. Satish Kumar Gupta, Director of the Company, retires by rotation and being eligible, seeks re-appointment.

Brief details of the Directors seeking appointment/re-appointment as stipulated under Clauses 49 of the Listing Agreement with the stock exchange is enclosed with the Notice.

During the year under review Mr Umesh Bhat, Director of the Company has resigned from the Board w.e.f. 18th February, 2014.

#### Auditors

M/s PVR-N & Co., Chartered Accountants have expressed their unwillingness for re appointment and they have to vacate their office at the conclusion of this meeting. In the meanwhile the Company received a notice from a shareholder alongwith a letter u/s 224 of the Companies Act, 1956 informing the eligibility signifying his intention to appoint M/s Udit Aggarwal & Associates, chartered accountant to fill the casual vacancy in the forthcoming Annual General Meeting. The appointment of auditors in place of existing auditor of the company requires the approval of General Meeting by way of ordinary resolution.

#### Auditors' Report

Comments made by the Statutory Auditors in the Auditors' Report are self-explanatory and do not require any further clarification.

#### Directors' Responsibility Statement

In terms of the provisions of section 217(2AA) of the Companies Act, 1956, and to the best of their knowledge and belief and according to the information and explanations obtained by them and save as mentioned elsewhere in this Report, the attached Annual Accounts and the Auditors' Report thereon, your Directors confirm that:

- a. in preparation of the annual accounts, the applicable accounting standards have been followed;
- b. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2014 and of the loss of the Company for the year ended on that date;

- c. the Directors have taken proper and sufficient care for the 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 fraud and other irregularities; and
- d. the Directors have prepared the Annual Accounts on a going concern basis.

**Corporate Governance**

The Company is committed to adopt the best practices in Corporate Governance, which is guided by the principles of conducting the business in a responsible, transparent and ethical manner so as to protect the interest of all stakeholders. As per Clause 49 of the Listing Agreement, a separate Section on Corporate Governance forms part of the Annual Report.

A certificate from Statutory Auditors with regard to the compliance of the Corporate Governance, as stipulated under Clause 49 of the Listing Agreement, is also annexed to this Report.

**Management Discussion and Analysis Report**

The Management Discussion and Analysis Report for the year, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges are presented in a separate section forming part of the Annual Report.

**Listing**

The Equity Shares of the Company are listed at the Bombay Stock Exchange Limited and The Calcutta Stock Exchange Association Ltd. The Listing fees for the financial year 2014-15 have been paid to the Bombay Stock Exchange Limited.

**Acknowledgment**

Your Directors express their appreciation of sincere co-operation and assistance of State & Central Govt. authorities, bankers, customers and suppliers as well as all of the Company's employees & Shareholders of the Company.

By Order of the Board  
**USG Tech Solutions Limited**

Noida, 29th August, 2014

Sd/-  
**Satish Kumar Gupta**  
Director

Sd/-  
**Servesch Gupta**  
Director

**Annexure to the Director's Report**

**Auditor's Certificate on compliance with the conditions of Corporate Governance under clause 49 of the listing Agreement(s).**

**The Board of Directors  
USG Tech Solutions Limited  
Noida**

We have reviewed the records concerning the Company's compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement, entered into by the Company with the Stock Exchange(s) in India, for the financial year ended on 31st March 2014.

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

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for the review, and the information and explanations given to us by the Company.

Based on such a review to the best of our information and according to the explanations given to us, in our opinion, the Company has complied with the conditions of Corporate Governance, as stipulated in Clause 49 of the said Listing Agreement.

On the basis of Certificate issued by the Registrar and Share Transfer Agent of the Company and the Minutes of Meetings of the Shareholders/ Investors Grievance Committee of the Company, we state that, there was only one investor grievance pending against the Company for a period exceeding one month.

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

For PVR-N & Co.  
Chartered Accountants,  
Firm Regn. No. 004062N

Place: New Delhi  
Date: 31th May, 2014

Sd/-  
**Pradeep Kumar Jindal**  
Partner  
M.No. 082646

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****Cautionary Statement**

The management Discussion and Analysis Report may contain certain statements that might be considered forward looking. These statements are subject to certain risks and uncertainties. Actual results may differ materially from those expressed in the statement as important factors could influence Company's operations such as Government policies, economic development, political factors and such other factors beyond the control of the Company.

**Overview and brief Background**

USG Tech at its best provides innovative IT Solutions and complex software projects development that helps to keep it one step ahead of its competitors by continuously improving its IT-based business solutions.

Crafted to perform, USG Tech is more than a singular avenue for payment processing system, it represents the ambition to connect, the ability to integrate and the freedom to move beyond the hassles of prior systems. USG Tech was brought to life by individuals who imagine a seamless system that allows complete freedom and guarantees a greater performance capability.

Combining state-of-the-art technology with the ambition to streamline the business processes throughout the country, USG Tech equips businesses and organizations to stay in control of payment processing, point of sale systems, reward and loyalty programs and all other related business processes.

The multi-functional feature of USG Tech payment systems allow product manufacturers to stay linked to the traders, the banks to their customers, the government to the various trading points, the corporate houses to their branched processes and merchants to their customers.

Spread across multiple channels USG Tech's strategic solutions are capable of communicating across broadband, GPRS, Wi-Fi and dial-up along with supporting several third-party VAA's (Value Added Applications).

**IT Industry Scenario**

The information technology in India is looking towards a bleak future in general in the current year. However, small sparks of encouragement are there. The Indian IT sector will witness a predictable slump of growth from that of 16% last year to a discouraging 11% this year. The Recession period, the free fall of rupees against dollar compounded with other factors has resulted in a severe decline in the hiring process of the IT sector. The employment generation capacity of this sector has shrunk considerably. IT professionals including ex- IT sector employees are now seeking employment in financial services, telecommunications and manufacturing industries which have recently witnessed a phenomenal growth.

Though 2013 has left the US\$ 108 billion IT and ITES sector of India standing at the crossroads, Software Services Industry Body NASSCOM is absolutely positive about the growth of India's IT sector. According to NASSCOM, "newer geographies' are set to double their contribution to India to 20% by 2020". As per the estimation of NASSCOM purely domestic and export services of the Indian IT sector is expected to generate US\$ 225 billion by 2020. The landscape of the global IT and ITES market is changing rapidly and it is totally up to the Indian IT sector now to adapt to this changing landscape. After all India is still a major brand name in the global IT and ITES sector.

**Financial Performance**

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956, guidelines issued by the Securities and Exchange Board of India (SEBI) and the Generally Accepted Accounting Principles (GAAP) in India. Our Management accepts responsibility for the integrity and objectivity of these financial statements, as well as for the various estimates and judgments used therein. The estimates and judgments relating to the financial statements

have been made on a prudent and reasonable basis, so that the financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present our state of affairs, profits and cash flows for the year.

As there is a substantial growth in IT Sector and Software Projects development, Your Directors are hopeful that in forthcoming years, Company will definitely perform up to the mark, achieve good profitability and Earning per share will be increased. On a generic note, given the current economic and industry environment, prospects in our business segments look attractive and we look forward to 2014-15 with sustained growth and excitement.

#### **Opportunities Lying Ahead and our Outlook**

As your Company keeps on exploring various avenues, your Management proposes to have a singular avenue for payment processing system, representing the ambition to connect, with an ability to integrate and the freedom to move beyond the hassles of prior systems. They imagine a seamless payment system that allows complete freedom and guarantees a greater performance capability.

Bringing together the merchants, banks, financial institutions, corporate companies and other modes of transaction activities on a singular platform, The Company will be one stop destination for a secure network for growth oriented services. Combining state-of-the-art technology with the ambition to streamline the business processes in throughout the country.

The multi-functional feature of the payment systems will allow product manufacturers to stay linked to the traders, the banks to their customers, the government to the various trading points, the corporate houses to their branched processes and merchants to their customers. However it is not our ability to connect trading processes that is revolutionary, it is our ability to provide you with a customized solution based on your objective and the instant software updates across all POS terminals in India that sets us apart.

It would help customers to stay in control of payment processing, point of sale systems, reward and loyalty programs and all other related processes. Spread across multiple channels the proposed strategic solutions are capable of communicating across broadband, GPRS, Wi-Fi and dial-up along with supporting several third-party VAA's (Value Added Applications).

#### **The Management's mission is**

"To eternally adapt, create & innovate to deliver an open payments processing platform that seamlessly integrates with banks, business systems and consumers. USG Tech's applications are built on state-of-art infrastructure and technology with one key ambition, to drive value for your business and for your customers"

#### **Human resource / Industrial relations**

Management is keen on following the best practices for attracting, retaining and enhancing human resources of the Company. The company's Industrial relations continued to be harmonious during the year under review. The Company continue to invest in people through various initiatives which enable the work force to meet out the production requirements and challenges related thereto and to infuse positive enthusiasm towards the organization.

#### **Internal Control Systems and Adequacy**

The Internal Control Systems and procedure are adequate and commensurate with the size of the Company. The company has implemented suitable controls on ongoing basis to assure that all resources are utilized optimally, financial transactions are reported with the accuracy and all applicable laws and regulations are strictly complied with.



**CORPORATE GOVERNANCE REPORT**

*"Corporate Governance is an integral part of the philosophy of the Company in its pursuit of excellence, growth and value creation by focusing a balance between individual interests and corporate goals."*

**1. COMPANY 'S PHILOSOPHY ON CORPORATE GOVERNANCE**

The Company's philosophy on Corporate Governance enshrines the goal of achieving the highest level of transparency, accountability and equity in all spheres of its operations and in all its dealing with the shareholders, employees, the Government and other parties. In carrying out this, it is ensured that the Company's objectives are adequately measured and monitored. The Corporate Governance is a key element which involves a set of relationships between a Company's management, its Board, Shareholders and Stakeholders.

Corporate Governance is considered as an important tool for shareholders protection and maximization of their long term values. The cardinal principle such as accountability, responsibility, transparency and fair disclosure serve as the measure for achieving goals.

**2. BOARD OF DIRECTORS**

2.1 The Company maintains an optimum combination of Executive, Non Executive and Independent Directors. The Board consists of total four (4) directors on 31st March 2014, out of which two (2) are independent. The Company is chaired by Mr Satish Kumar Gupta, Non-Executive Director who belongs to Promoter Group and Mr Servesh Gupta is the Whole Time Director of the company. The Constitution of the Board as on 31st March 2014 is as follows:

Name of the Director	Category	Number of Other		
		Directorship*	Committee Membership**	Committee Chairmanship**
Mr. Servesh Gupta	Promoter Director/ Executive Director	NIL	NIL	NIL
Mr. Satish Kumar Gupta	Promoter Director / Non- Executive Director	NIL	NIL	NIL
Mr. Anil Kumar Gupta	Independent Director	NIL	NIL	NIL
Mr Umesh Sharma	Independent Director	NIL	NIL	NIL

\*The Directorships held by Directors as mentioned above, do not include Alternate Directorships and Directorships in Private Limited Companies, Foreign Companies and Companies under Section 25 of the Companies Act, 1956.

\*\* In accordance with Clause 49, Memberships/Chairmanships of only the Audit Committee and Shareholder's/ Investors Grievance Committee in all public limited companies (excluding USG Tech Solutions Limited) have been considered.

**None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committee (as specified in Clause 49 of the Listing Agreement), across all the Companies in which he is a Director.**

2.2 During the year under review, 15 Board Meetings were held on 1/04/2013, 15/04/2013, 6/05/2013, 29/05/2013, 12/06/2013, 17/06/2013, 22/07/2013, 14/08/2013, 27/08/2013, 9/09/2013, 15/10/2013, 14/11/2013, 5/12/2013, 8/01/2014 and 12/02/2014. The Board was duly supplied with the agenda of the meetings incorporating all material information for facilitating meaningful and focused discussions at the meeting. The intervening period between the Board Meetings was well within the maximum time gap of four months as prescribed in clause 49 of the Listing Agreement. Details of attendance of Directors in the Board meeting during the financial year 2013-14 are as under:

Name of the Director	Board Meeting held during the period	No. of Board Meetings Attended	Attendance at the Last AGM
Mr Prem Gupta#	2	2	No
Mr. Servesh Gupta	15	14	Yes
Mr. Satish Kumar Gupta	15	15	Yes
Mr. Umesh Bhat	15	8	Yes
Mr. Anil Kumar Gupta	15	11	Yes
Mr Umesh Sharma	15	10	Yes

#. Resigned w.e.f 6th May, 2013.

### 3. COMMITTEES OF THE BOARD

To focus effectively on the issues and ensure expedient resolution of diverse matters, the Board has constituted a set of committees with specific terms of reference/scope. The Committees as empowered agents of the Board as per their charter/terms of reference. Targets set by them as agreed with the management are reviewed periodically and mid - course corrections are also carried out. The minutes of the meetings of all committees of the Board are placed before the Board for discussions/ noting.

### 4. AUDIT COMMITTEE

- 4.1 The Audit Committee functions according to its charter that defines its Composition, Authority, Responsibility and Reporting functions in accordance with the Companies Act, 1956, listing requirements as applicable to the Company and is reviewed from time to time. The brief terms of reference for the audit committee as laid down by the Board are laid as under:
- Overseeing the Company's financial reporting process and the disclosure of the financial information to ensure that the financial statements are correct, sufficient and credible.
  - Recommending the appointment/re-appointment and replacement/ removal of statutory auditors, fixation of audit fee and also approval for payment for any other services.
  - Reviewing with Management, the quarterly, half yearly and annual financial statements before submission to the Board.
  - Reviewing with the Management, performance of Statutory and Internal auditors, the adequacy of internal control system and ensuring compliance therewith.
  - Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
  - Discussion with internal auditors any significant findings and follow up thereon.
  - Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
  - Discussion with statutory auditors before the audit commences about nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
  - To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
  - To review report on Management Discussion & Analysis of Financial Condition and Results of operation, to be included in the Company's Annual Report to its Shareholders.

4.2 The Chairman of the Audit Committee briefs the Board members about the significant discussions at Audit Committee Meetings.

4.3 The Committee comprises of following members as at 31st March, 2014:-

S. No.	Name of the Directors	Designation	Category
1.	Mr. Anil Kumar Gupta	Chairman	Independent
2.	Mr. Umesh Sharma	Member	Independent
3.	Mr. Servesh Gupta	Member	Executive

The Composition of the Committee meets the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

The Company Secretary of the Company acts as the Secretary to the Committee.

All the members of the Committee possess financial and accounting expertise.

4.4 During the Financial year 2013-14, Four (4) meetings of the Audit Committee were held on 29/05/2013, 14/08/2013, 14/11/2013 and 12/02/2014. The Attendance record of Audit Committee is given as follows:

S. No.	Name of the Member	No. of Meeting Attended
1.	Mr. Anil Kumar Gupta	4
2.	Mr. Umesh Sharma	4
3.	Mr. Servesh Gupta	3

4.5 The Committee meetings are held at Company's Corporate Office and are usually attended by the Chief Internal Auditor and the Statutory Auditor. The Business and operations heads are invited to the meetings, as required.

4.6 The Committee relies on the expertise and Knowledge of Management, the internal Auditors and the Independent Statutory Auditors in carrying out its oversight responsibilities. It also uses external expertise if required.

4.7 The Company's Independent Statutory Auditor, is responsible for performing an Independent Audit of the Financial Statements and expressing an opinion on the conformity of those financial statements with accounting principles generally accepted in India.

## 5. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

5.1 As a measure of good Corporate Governance and to focus on the Shareholder's Grievances and for strengthening investor's relation, an Investor's / Shareholder's Grievances Committee has been constituted. This Committee specifically looks into the redressal of shareholder's complaints like transfer of shares, non receipt of annual

report, Dematerialization of shares, replacement of lost/stolen/mutilated share certificates, non receipt of rights/bonus/split share certificates and any other related matters.

The purpose of constituting this Committee is to uphold the basic rights of the shareholders including right to transfer and registration of shares, obtaining relevant information about the company on a timely and regular basis, participating and voting in shareholders meetings, electing members of the board and sharing in the residual profits of the Company. Further the Committee is empowered to act on behalf of the Board, in the matters connected with allotment of shares, issuance of duplicate share certificates, split and consolidation of shares into marketable lots etc.

5.2 The Shareholders'/Investors' Grievance Committee of the Board comprises of three Directors as at 31st March 2014:

S. No.	Name of the Directors	Designation	Category
1.	Mr. Satish Kumar Gupta	Chairman	Non-Executive
2.	Mr. Anil Kumar Gupta	Member	Independent
3.	Mr. Umesh Sharma	Member	Independent

The Company Secretary is the Compliance Officer for complying with the requirement of the Securities Laws and the Listing Agreements with the Stock Exchange.

5.3 **Status of Complaints**

S. No.	Particulars	Status of Complaints
1.	No. of complaints received from the shareholders during the period from 01.04.2013 to 31.03.2014	0
2.	No. of complaints resolved during the year	0
3.	No. of complaints pending at the end of the year	1

5.4 **Compliance Officer**

Ms. Mala Sharma, Company Secretary, who is the Compliance Officer of the Company can be contacted at: USG Tech Solutions Limited, A-22, Upper Ground Floor, Sector-3, Noida-201301. E -mail: Secretarial@usgtechsolutins.com. Complaints or queries relating to the shares can be forwarded to the Company's Registrar and Transfer Agents - M/s Bigshare Services Pvt. Ltd. at info@bigshareonline.com.

6. **REMUNERATION COMMITTEE**

6.1 The Remuneration Committee of the Company is empowered to review the remuneration of the Managing Director/Whole Time Director and the Executive Directors, approved by the Board and deal with matters relating thereto.

6.2 During the year 2013-14, the Company has paid remuneration to the Whole Time Director.

6.3 The Remuneration of the Managing/Whole Time Director and Executive Directors is recommended by the Remuneration Committee based on criteria such as industry benchmarks, the Company's performance vis-a-vis the industry, the responsibility shouldered performance/track record and is decided by the Board of Directors.

## 7. GENERAL BODY MEETINGS

### (A) Annual General Meetings

Location and time of the General Body Meetings of the Company in the past three years :

Year	Date	Venue	Time	Special Resolution passed
2011	8/08/2011	I-405, 4th Floor, Divyashakti Apartments Ameerpet, Hyderabad- 500 016	16:00 Hrs	<ul style="list-style-type: none"> <li>• Appointment of Promoter Directors</li> <li>• Regularization of additional Directors</li> <li>• Change in name of the Company</li> <li>• Change in Management and Control of the Company</li> <li>• Re-issue of Forfeited Shares</li> <li>• Further Issue of 3,19,50,000</li> <li>• Convertible Warrants/Resultant</li> <li>• Equity Shares</li> </ul>
2012	19/09/2012	I-405, 4th Floor, Divyashakti Apartments, Ameerpet, Hyderabad- 500 016	16:00 Hrs	<ul style="list-style-type: none"> <li>• Regularization of additional Directors</li> <li>• Preferential Issue of 70,49,200 Equity Shares</li> </ul>
2013	26/09/2013	1/95/1/5-6 2nd Floor Guttala Begumpet near Kavuri Hills Phase 2 Madhapur, Hyderabad - 500081	16:00 Hrs	<ul style="list-style-type: none"> <li>• NA</li> </ul>

## 8. DISCLOSURES

- 8.1 Besides the transactions mentioned elsewhere in the Annual Report, there were no other materially significant related party transactions that may have potential conflict with the interests of the Company at large.
- 8.2 The Company has complied with various rules and regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India or any other statutory authority relating to capital markets during the last three years. No penalties have been imposed by them on the Company.
- 8.3 The Company has laid down procedure to inform Board Members about the risk assessment and minimization procedures. These procedures are being periodically reviewed to ensure that management controls risk through the means of properly defined framework.

**9. MEANS OF COMMUNICATION**

The Company regularly intimates unaudited as well as audited financial results to the Stock Exchanges immediately after these were taken on record by the Board.

The quarterly/half-yearly/annual financial results are generally published in the English and Telgu Newspapers i.e. Business Standard (English) and Jantha (Telgu). The Annual Report, Quarterly Results and Shareholding Patterns of the Company are regularly filed with the Stock Exchanges in hard copies within the stipulated time.

**10. GREEN INITIATIVE IN CORPORATE GOVERNANCE**

Pursuant to Circular No. 17/2011 dated 21st April, 2011 and Circular No. 18/2011 dated 29th April, 2011, Ministry of Corporate Affairs (MCA) has launched "Green Initiative in Corporate Governance" whereby the companies are allowed to send notices, documents, and other communications to the shareholders in electronic mode.

Your company encourages its shareholders to support the "Green Initiatives" by registering their email addresses with their respective depositories/Company's Registrar and Transfer Agent and intimate changes in the e-mail addresses from time to time.

**11. GENERAL INFORMATION FOR MEMBERS****11.1 Annual General Meeting:**

<b>Date and Time</b>	Monday, 29th September, 2014 at 16:00 Hrs
<b>Venue</b>	1/95/1/5-6 2nd Floor Guttala Begumpet near Kavuri Hills Phase 2 Madhapur Hyderabad - 500081

**11.2 Financial Calender (tentative) :**

The financial year covers the period starting from 1st April and ended on 31st March  
 Adoption of Quarterly Results Ended by the end of  
 June, 2013 14th August, 2013  
 September, 2013 14th November, 2013  
 December, 2013 12th February, 2014  
 March, 2014 31st May, 2014

**11.3 Book Closure Period:**

Tuesday, 23rd September, 2014 to Monday, 29th September, 2014 (both days inclusive.)

**11.4 Listing Details:**

The Equity Shares of the Company are listed with Bombay Stock Exchange Limited & The Calcutta Stock Exchange Association Ltd. [Scrip Code: BSE LTD -532402]. The listing fee has been paid to BSE where the Company's Equity shares are listed.

**11.5 Market Price data:**

The monthly high & low quotations of the Company's Shares traded on the Bombay Stock Exchange Limited during the Financial Year 2013-14, along with the performance of stock are as under:

<b>Bombay Stock Exchange (BSE)</b>			
<b>Month</b>	<b>High</b>	<b>Low</b>	<b>Average</b>
April, 2012	11.38	5.30	8.34
May, 2012	12.94	5.51	9.23
June, 2012	14.28	12.07	13.18
July, 2012	12.50	8.82	10.66
August, 2012	8.45	6.29	7.37
September, 2012	14.80	8.00	11.40
October, 2012	15.50	12.78	14.14
November, 2012	13.55	11.96	12.76
December, 2012	14.64	11.17	12.91
January, 2013	15.70	13.56	14.63
February, 2013	16.30	12.55	14.43
March, 2013	14.33	8.56	11.45



**11.6 Registrar and Transfer Agent:**

**M/s Bigshare Services Pvt. Ltd.**

Contact Person: Srinivas Dornala,

**Delhi Branch Address :**

4E/8 1st Floor, Jhandewalan Ext., New Delhi -110055

Mobile:-09971100544, Tel: 011-42425004

Email: [bssdelhi@bigshareonline.com](mailto:bssdelhi@bigshareonline.com)

**Mumbai Branch Address :**

E/2, Ansa Industrial Estate, Sakivihar Road, Sakinaka

Andheri (East), Mumbai-400072.

Tel: 91 22 2847 0652 / 4043 0200, Fax: 91 22 2847 5207

Email: [info@bigshareonline.com](mailto:info@bigshareonline.com)

Website: [www.bigshareonline.com](http://www.bigshareonline.com)

**11.7 Share Transfer System :**

The Company's share being in compulsory Demat list, are transferable through the depository system. However, shares in the physical form are processed by the Registrar & Transfer Agent and approved by the Shareholders and Investors Grievance Committee. The share transfer process is reviewed by the said committee. The Company obtains from a Company Secretary in Practice, the half-yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement with Stock Exchanges and file a copy of the certificate with the Stock Exchanges.

**11.8 Secretarial Audit :**

The Company obtains certificate of compliance from a Company Secretary in practice quarterly under SEBI (Depository & Participants) Regulations, 1996 for the purpose of reconciliation of the total issued/paid - up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).

**11.9 Distribution of Shareholding :**

Distribution of shareholding as on 31.03.2014 is given below :

Share holding of nominal value Rs.	Share Holders		Share Amount	
	Number	% to total	Number	% to total
(1)	(2)	(3)	(4)	(5)
1-500	561	18.6135	122888	0.3118
501-1000	223	19.3241	206461	0.5238
1001-2000	91	7.8856	151820	0.3852
2001-3000	36	3.1196	96065	0.2437
3001-4000	22	1.9064	79173	0.2009
4001-5000	42	3.6395	200768	0.5094
5001-10000	59	5.1127	482749	1.2248
10001-999999999	120	10.3986	38074286	96.6004
<b>Total</b>	<b>1154</b>		<b>39414210</b>	<b>100</b>

**11.10 Shareholding Pattern of Shares as on 31st March, 2014 :**

Category	No. of Shares	% of Shares
<b>Promoters</b>		
Indian	33,03,329	8.38
Foreign: Body Corporate	-	-
<b>Non - Promoters</b>		
Mutual Funds	3,54,073	0.90
Fin Inst.	1,18,919	0.30
Corporate Bodies	65,53,054	16.63
Individuals	2,55,52,436	64.83
NRIs/ OCBs	34,68,610	8.80
Clearing Members	63,789	0.16
<b>Total</b>	<b>39414210</b>	<b>100.00</b>

**11.11 ISIN for Dematerialization: INE718B01017****11.12 Dematerialization of Shares as on 31st March, 2014:**

The electronic holding of shares as on 31st March, 2014 through NSDL and CDSL are as follows:

Particulars	NSDL		CDSL	
	2014	2013	2014	2013
Equity Shares	2,83,14,334	2,81,53,129	22,35,455	16,46,660

The Company has entered into an agreement with both National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL), whereby the shareholders have an option to dematerialize with either of the depositories. Annual Custody fees for the year 2014-15 have been paid by the Company to NSDL and CDSL.

**11.13 Address for correspondence**

**USG Tech Solutions Limited**

**Company Secretary**

**Corporate Office:**

A-22, Upper Ground Floor

Sector -3, Noida - 201301

Email:-[Secretarial@usgtechsolutions.com](mailto:Secretarial@usgtechsolutions.com)



**WHISTLE BLOWER POLICY**

The Company promotes ethical behavior in all its business activities and has put in all place a mechanism of reporting illegal or unethical behavior. The Company has adopted a Whistle Blower Policy, which afford protection and confidentiality to Whistle blowers. The Audit Committee Chairman is authorized to receive protected Disclosure under this policy. The Audit Committee is also authorized to supervise the conduct of investigation of any disclosures made by whistle blowers in accordance with policy.

**Declaration by the CEO under Clause 49 of the Listing Agreement regarding adherence to the Code of Conduct**

In accordance with Clause 49 sub Clause I (D) of the Listing Agreement with the Stock Exchanges, I, Servesh Gupta, Director of the Company do hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance to their respective code of conduct, as applicable to them for the financial year ended 31st March, 2014.

By Order of the Board  
**USG Tech Solutions Limited**

Sd/-  
**Servesh Gupta**  
Director

Noida, 31st May, 2014

**AUDITORS' REPORT**

To  
**The Members of  
USG Tech Solutions Limited**

**Report on the Financial Statements**

1. We have audited the accompanying financial statements of USG Tech Solutions Limited (the "company"). Which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flow of the Company accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement whether due to fraud or error.

**Auditor's Responsibility**

3. Our responsibility is to express an opinion on these financial statement based on our audit. We conducted out, audit in accordance with the Standards on auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. 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 auditors 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 auditors considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audi procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
  - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014.
  - (b) In the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date, and
  - (c) In the case of the Cash Flow Statement of the cash flows of the Company for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

7. As required by the Companies (Auditors' Report) Order, 2003, (the Order) issued by the Central Government of India in terms of sub - Section (4A) of Section 227 of the Act, We give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the order.

**As required by Section 227(3) of the Act, we report that**

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b. In our opinion, proper books of accounts 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, 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 balance sheet, Statement of profit and loss and the cash flow statement comply with the accounting standards referred to in sub - Section (3C) of Section 211 Act.
- e. On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2014 from being appointed as a Director in terms of Clause (g) of sub Section (1) of Section 274 of the Act.

Place : New Delhi  
Date : 31th May, 2014

**For PVR-N & Co.**  
Chartered Accountants

Sd/-  
**Pradeep Kumar Jindal**  
Partner  
M.No. 82646  
Firm Regn. No. 004062N

**ANNEXURE TO THE AUDITORS REPORT**

Referred to in paragraph 3 of our report of even date

1. In respect of its fixed assets
  - a) The Company has maintaining proper records showing full particulars, including quantitative details and situation of the fixed assets on the basis of available information.
  - b) As explained to us, the management has physically verified the fixed assets during the year and there is a regular program of verification which, in our opinion is reasonable having regard to the size of the Company and the nature of the assets. No material discrepancies were noticed on such physical verification.
  - c) In our opinion, the Company has not disposed off any part of its Fixed Assets during the year and the going concern status of the company is not affected.
2. In respect of its Inventory
  - a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventories followed by the management are reasonable and adequate in relation to size of the company and nature of the its business.
  - c) The company has maintained proper record of inventories. As explanation given to us, there were no material discrepancies notices on such physical verification of the inventories as compared to the book records.
3. In respect of the loans, secured or unsecured granted or taken by the company to / from companies, firms or other parties covered under the register maintained under Section 301 of the Companies Act 1956, according to the information and explanations given to us
  - a) The Company has not granted any loans, secured or unsecured, from companies, firms or other parties covered under the register maintained under Section 301 of the Companies Act 1956. Consequently, the requirement of Clause (iii) (f) and (iii) (g) of paragraph 4 of the Order are not applicable.
  - b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered under the register maintained under Section 301 of the Companies Act 1956. Consequently, the requirement of Clause (iii) (f) and (iii) (g) of paragraph 4 of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of products and services. During the course of our audit, we have not observed any continuing failure or weakness in internal control system.
5. In our opinion and according to the information and explanations given to us there are no transactions made pursuant of contracts or arrangements that need to be entered into the register maintained under Section 301 of the Companies Act, 1956.
6. In our opinion and according to information and explanations given to us, the Company has not accepted any deposits from public. Therefore the provision of Clause (vi) of paragraph of the Order is not application to the company.
7. In our opinion, the Company has internal audit system commensurate with the size and nature of its business.
8. In our opinion and according to information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956.
9. In respect of statutory dues

**USG TECH SOLUTIONS LIMITED**

- a) According to the information and explanations given to us the particulars of undisputed statutory dues of provident fund, employees state insurance, income tax and service tax relating to previous year 2013-14 are paid. No dues are pending for the current year.
- b) The Company does not have any disputed dues of sales tax / income tax / customs / wealth tax / excise duty /cess etc. which have not been deposited except the Income Tax Demand of Rs. 23, 10, 837/- for the assessment year 2005 - 2006 against which the Company has filed an appeal with ITAT, although the Income Tax Department has set it off this liability against the amount of Income tax Refund due for the A.Y.2010-2011 and earlier years. Therefore, the matter would be finalized on the order of ITAT.
10. The Company does not have accumulated losses at the end of the financial year. The Company has not incurred any cash losses during the financial year covered by audit and the immediately preceding financial year.
11. According to the information and explanations given to us, the Company has no dues to any financial institutions, bank or debenture holders during the year under report.
12. According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of securities by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or nidhi / mutual benefit fund / society and therefore the provisions of special statute under paragraph (13) of the order are not applicable to the Company.
14. In our opinion and the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
15. According to the information and explanations given to us, the Company has not given the guarantee for loans taken by others from banks or financial institutions.
16. According to the information and explanation given to us, the Company has not raised any term loans.
17. According to information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on a short term basis which have been used for long term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956 during the year.
19. According to the information and explanations given to us, the Company has not issued any debentures during the year under report.
20. According to the information and explanations given to us the Company has not raised any money by public issues during the year.
21. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year under report.

**For PVR-N & Co.**  
Chartered Accountants

Place : New Delhi  
Date : 31th May, 2014

Sd/-  
**Pradeep Kumar Jindal**  
Partner  
M.No. 82646  
Firm Regn. No. 004062N

**BALANCE SHEET AS AT 31ST MARCH 2014**

Particulars	Note No.	As at March 31, 2014 (Amount in Rs.)	As at March 31, 2013 (Amount in Rs.)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	1	394,142,100.00	339,642,100.00
(b) Reserves & Surplus	2	19,544,654.26	19,504,381.26
(c) Security Premium	3	10,390,230.00	10,390,230.00
(d) Money Received Against Share Warrants	4	-	54,506,127.00
<b>(2) Non Current Liabilities</b>			
(a) Long term borrowings	5	105,244,528.44	31,798,344.00
(b) Deferred tax liabilities(Net)	6	1,334,208.00	1,469,563.00
<b>(3) Current Liabilities</b>			
(a) Trade payables	7	7,324,203.07	157,204,897.00
(b) Other current liabilities	8	353,451.00	2,079,997.00
(c) Short-term provisions -Income Tax	9	71,780.00	71,780.00
<b>TOTAL</b>		<b>538,405,154.77</b>	<b>616,667,419.26</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets	10		
(i) Tangible assets		7,852,216.00	12,167,658.00
(ii) Intangible Assets under Development		17,630,376.00	17,630,376.00
(b) Non-Current Investment	11	146,536,873.40	119,654,344.00
(c) Other non-current assets	12	15,672,975.00	1,779,938.00
<b>(2) Current Assets</b>			
(a) Inventories		7,294,520.00	3,990,339.00
(b) Trade receivables	13	136,606,484.00	229,494,183.00
(c) Cash and cash equivalents	14	5,934,494.95	7,420,811.00
(d) Short-term loans and advances	15	148,558,684.42	174,004,905.00
(e) Other current assets	16	52,318,531.00	50,524,865.26
<b>TOTAL</b>		<b>538,405,154.77</b>	<b>616,667,419.26</b>
<b>Notes on Financial Statement Significant Accounting Policies</b>	<b>1 to 32 a to t</b>		

**For PVR-N & Co.**

Chartered Accountants

For and on behalf of the Board of Directors

Sd/-

**Pradeep Jindal**

Partner

M.No. 82646

FRN 004062N

Place :-Noida

Date :-31th May, 2014

Sd/-

**Satish Gupta**

Director

Sd/-

**Servesh Gupta**

Director

Sd/-

**Mala Sharma**

Company Secretary

**USG TECH SOLUTIONS LIMITED****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2014**

Particulars	Note No.	As at	As at
		March 31, 2014 (Amount in Rs.)	March 31, 2013 (Amount in Rs.)
I Revenue from Operations	17	24,086,477.00	60,634,767.00
II Other Income	18	9,466,498.00	3,853,677.84
III Total Revenue [I + II]		<b>33,552,975.00</b>	<b>64,488,444.84</b>
IV Expenses			
Purchases & Development	19	24,453,410.00	43,114,680.08
Changes in inventories of finished goods		(3,304,181.00)	(3,339,589.00)
Employee Benefits Expenses	20	5,123,411.00	6,888,752.00
Finance Costs	21	189,465.00	270,486.13
Depreciation and amortization expenses	10	3,901,885.00	6,597,608.00
Other Expenses	22	3,284,067.00	10,470,211.37
Total Expenses		33,648,057.00	64,002,148.58
V "Profit before exceptional and "extraordinary items and tax (III- IV)"		<b>(95,082.00)</b>	<b>486,296.26</b>
VI Exceptional items		-	-
VII "Profit before extraordinary items and tax"(V-VI)"		(95,082.00)	486,296.26
VIII Extraordinary items			
IX Profit before Tax (VII-VIII)		(95,082.00)	486,296.26
X Tax expenses:			
(1) Current tax		-	71,780.00
(2) Deferred tax		(135,355.00)	78,477.00
XI Profit for the period from continuing operations (IX-X)		40,273.00	336,039.26
XII Profit from discontinuing period		-	-
XIII Tax expenses of discontinuing operations		-	-
XIV Profit from Discontinuing operation (after tax) (XII-XIII)		-	-
XV Profit for the period (XI + XIV)		40,273.00	336,039.26
XVI Earning per Equity share:			
(1) Basic		-	0.01
(2) Diluted		-	0.01
<b>Notes on Financial Statement Significant Accounting Policies</b>	<b>1 to 32 a to t</b>		

**For PVR-N & Co.**

Chartered Accountants

Sd/-

**Pradeep Jindal**

Partner

M.No. 82646

FRN 004062N

Place :-Noida

Date :-31th May, 2014

Sd/-

Satish Gupta

Director

For and on behalf of the Board of Directors

Sd/-

Serves Gupta

Director

Sd/-

Mala Sharma

Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014**

Particulars	As at March 31, 2014 (Amount in Rs.)	As at March 31, 2013 (Amount in Rs.)
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax as per Profit and Loss Account	(0.95)	4.86
Adjustments for :-		
Finance cost	1.90	2.70
Preliminary Expenses Written Off	1.78	1.97
Interest Income	(81.02)	(38.39)
Other Non-operating Receipts	(13.64)	(0.15)
Depreciation and Amortization Expenses	39.02	65.97
	(51.96)	32.10
<b>Operating Profit before Working Capital Changes</b>	<b>(52.91)</b>	<b>36.96</b>
Adjustment for :-		
Change in Trade and Other Payables	(1,502.53)	(834.00)
Increase in Inventories	(33.04)	(33.39)
Change in Trade and Other Receivables	928.88	265.23
	(606.69)	(602.16)
<b>Cash Generated from Operations</b>	<b>(659.60)</b>	<b>(565.20)</b>
Adjustment for :-		
Provision for Income Tax	0.00	(0.72)
Provision for Deferred Tax Liabilities	(1.36)	(0.78)
<b>Net Cash Generated from Operating Activities</b>	<b>(660.96)</b>	<b>(566.70)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchases/Sale of Fixed Assets	(141.87)	449.26
Purchases of Non-current Investment	(247.75)	(483.04)
Payment of Loan	(4.54)	
Movement in Loans & Advances and other Assets	223.52	(718.14)
<b>Net Cash Received from Investing Activities</b>	<b>(170.64)</b>	<b>(751.92)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Share Capital	-	765.30
Proceeds from Long Term Borrowings	739.00	295.96
Finance cost	(1.90)	(2.70)
Interest Income	81.02	38.39
Increase in Deferred Tax Liabilities	(1.36)	0.78
<b>Net Cash Received from Financing Activities</b>	<b>816.76</b>	<b>1097.73</b>
<b>D Net Increase/Decrease in Cash and Cash Equivalent</b>	<b>(14.84)</b>	<b>(220.89)</b>
<b>Add : Opening Balance of Cash and Cash Equivalent</b>	<b>74.20</b>	<b>295.09</b>
<b>Closing Balance of Cash and Equivalent Cash</b>	<b>59.36</b>	<b>74.20</b>

**For PVR-N & Co.**

Chartered Accountants

Sd/-

**Pradeep Jindal**

Partner

M.No. 82646

FRN 004062N

Place :-Noida

Date :-31th May, 2014

Sd/-

**Satish Gupta**

Director

Sd/-

**Servesh Gupta**

Director

Sd/-

**Mala Sharma**

Company Secretary

For and on behalf of the Board of Directors



**Significant Accounting Policies forming part of Balance Sheet as at 31st March 2014****a. Basis of Preparation of Financial Statements**

The financial statements have been prepared under historical cost convention in accordance with Indian Generally Accepted Accounting Principles on a going concern on accrual basis and the relevant provisions of the Companies Act, 1956.

**b. Grouping / Regrouping**

Previous year figures have been regrouped / reclassified wherever necessary so as to make comparable to figure of current year presentation. The figures in bracket represent corresponding figures of the previous year.

**c. Owned Tangible Fixed Assets and Intangible Assets under Development**

Fixed Assets are stated at cost of acquisition less accumulated depreciation, recoverable taxes and impairment loss, if any. An intangible asset under developments is shown on actual payment basis.

**d. Intangible Assets under Development**

An intangible asset under developments are shown on actual payment basis which are carried forward from previous year i.e. Rs. 17630376/-

**e. Depreciation and Amortisation**

Depreciation has been calculated on fixed assets on their written down value method in accordance with section 205 of the Companies Act, 1956 at the rates specified in Schedule XIV of the Companies Act 1956. The company follows the policy of charging depreciation on pro-rata basis on the assets acquired or disposed off during the year. There is no change in the method of providing depreciation as compared to previous year.

**f. Impairment of Assets**

An assets is treated as impaired when the carrying cost of fixed assets exceeds its recoverable value. The company on an annual basis makes an assessment of any indicator that may lead to impairment of assets. If any such indication exists, the company estimates the recoverable amount of such assets. If such recoverable amount is less than the carrying amount, then the carrying amount is reduced to its recoverable amount by treating the difference between them as impairment loss and is charged to Profit and Loss Account.

**g. Amortization of Intangible Assets**

No intangible asset has been amortized.

**h. Investments**

Investments are shown at acquisition cost.

**i. Inventories**

The Inventory is valued at lower of cost price and realisable value after providing for obsolescence, if any.

**j. Trade Receivable, Trade Payables and Loans and Advances**

Sundry Debtors, Creditors and Loans and advances are subject to confirmation.

**k. Realisation value of Current Assets**

In the opinion of the Management, value of all the current assets including loans and advances, if realised in the normal course shall not be less than the value stated in Balance Sheet.

**I. Revenue Recognition**

- a) **Services** : Revenue from rendering of services is recognized on the date on which the invoice is raised to customers.
- b) **Products** : Revenue from sale of products is recognized at a point of despatch of finished products to customers.

**m. Employees Benefits:-****a) Short term employees**

Short term benefits are recognised as an expense on an undiscounted basis in the Profit & Loss Account of the year in which the related it is rendered.

**b) Long Term Benefit**

- (i) The company is not covered under Employees provident Fund to which defined contribution are made on regularly basis.
- (ii) In accordance with the Payment of gratuity Act 1972, the gratuity is payable to an employees after completion of 5 years of his service in the company.

**n. Provision for Gratuity and Leave Encashment**

There is no employee eligible for gratuity as per Payment of Gratuity Act 1972 and therefore no provision has been made for gratuity. The company has also not made any provision for leave encashment. It is policy of the company to pay amount equivalent to value of leave balance in the employee account at the time full and final settlement of his account.

**o. Borrowing Cost**

Borrowing Cost which is attributable to acquisition of any assets is capitalized as a part of that asset. Other costs are recognized as an expense in the year in which they are incurred.

**p. Foreign Currency Transactions**

Foreign currency transactions are recorded at the exchange rate prevailing at time of transactions.

**q. Provision for Current and Deferred Income Taxes**

- a) **Income Tax** :- Provision for current tax for the year is based on computations after considering rebates, relief and exemptions under the Income Tax Act, 1961 applicable to the company.
- b) **Deferred Tax** :- Deferred tax assets and liabilities are recognised for future consequences attributable to the time difference that result between the profit offered for income tax and the profit as per financial statement of the company. Deferred tax assets and liabilities are measured as per the tax rates / laws that have been enacted or substantively enacted by the Balance Sheet. Deferred tax assets and liabilities are reassessed for the appropriateness of their respective carrying amount at each balance sheet.

**r. Contingent Liabilities and Capital Commitments**

The Income Tax department has set off Income tax Liability for F.Y. 2008-09 against the refund and net outstanding demand as on date is Rs.198,190/-.

- s. The Company was engaged in the business of Software Services and Development of Software Products and trading of Computer Hardware and Accessories. Hence the quantitative details as required under the Companies Act 1956.
- t. Any other policy  
Any other policy matter which is not specifically mentioned herein is as per generally accepted accounting principles and standards

**Notes forming part of Balance Sheet as at 31st March 2014**

Particulars	As at March 31, 2014 (Amount in Rs.)	As at March 31, 2013 (Amount in Rs.)
<b>1 SHARE CAPITAL</b>		
<b>Authorized Share Capital</b>		
43000000 Equity Shares of Rs.10 each (43000000 Equity Shares of Rs.10 each)	430,000,000.00	430,000,000.00
<b>Issued Share Capital</b>		
39414210 Equity Shares of Rs.10 each (33964210 Equity Shares of Rs.10 each)	394,142,100.00	339,642,100.00
<b>Subscribed &amp; Paid up Share Capital</b>		
39414210 Equity Shares of Rs.10 each (33964210 Equity Shares of Rs.10 each)	394,142,100.00	339,642,100.00
<b>Total</b>	<b>394,142,100.00</b>	<b>339,642,100.00</b>

1.1 The company has issued 5450000 Equity Shares of Rs. 10/- each on 01st April, 2013

1.2 The reconciliation of the number of share outstanding is as under:-

Particulars	Number of Shares	Number of Shares
Equity Share at the beginning of the year	33,964,210.00	30,500,800.00
Add :- Issue of Preferencial shares	-	3,463,410.00
Add :- Conversiable share warrants converted in to Equity Shares	5,450,000.00	-
Equity Share at the end of the year	39,414,210.00	33,964,210.00

1.3 The details of Shareholders holding more than 5% shares is as under:-

Name of Shareholder	Number	% Held	Number	% Held
RIS Group Ltd	3463410	8.79	3463410	10.19
Sh. Anil Kumar Jindal	2100000	5.33	2100000	6.18
Smt. Sunita Jindal	2100000	5.33	2100000	6.18
Sh. Vipin Gupta	2100000	5.33	2100000	6.18
Smt.Radhika Gupta	2100000	5.33	2100000	6.18
Sh. Naresh Bansal	2100000	5.33	2100000	6.18
Smt. Padma Bansal	2100000	5.33	2100000	6.18
Sh. Arun Garg	2100000	5.33	2100000	-
Smt. Neeru Garg	2100000	5.33	2100000	-

**2 RESERVES & SURPLUS**
**2.1 Profit and Loss Account**

Profit and Loss Account b/f from last year	19,504,381.26	19,168,342.00
Add :- Transferred from current year Profit and Loss	40,273.00	336,039.26
<b>Total</b>	<b>19,544,654.26</b>	<b>19,504,381.26</b>

**USG TECH SOLUTIONS LIMITED**

Particulars	As at March 31, 2014 (Amount in Rs.)	As at March 31, 2013 (Amount in Rs.)
<b>3 Security Premium</b>		
Security Premium	10,390,230.00	10,390,230.00
<b>Total</b>	<b>10,390,230.00</b>	<b>10,390,230.00</b>
<b>4 MONEY RECEIVED AGAINST SHARE WARRANTS</b>		
Money received against Share Warrants	-	54,506,127.00
<b>Total</b>	<b>-</b>	<b>54,506,127.00</b>
<b>5 NON-CURRENT LIABILITIES</b>		
Long Term Borrowings		
Secured Loan		
From Bank	1,344,528.44	1,798,344.00
UnSecured Loan		
Eins Edutech Limited	103,900,000.00	30,000,000.00
<b>Total</b>	<b>105,244,528.44</b>	<b>31,798,344.00</b>
Rs.22.01 lac is secured by way of hypothecation on first charge of car to BMW Financial Services Limited.		
<b>6 DEFERRED TAX LIABILITIES(Net)</b>		
Difference in depreciation as per books and income Tax Act	1,334,208.00	1,469,563.00
Relating difference in depreciation as per the Companies Act and Income Tax Act		
As per Income Tax Act	3450704	
As per Companies Act, 1956	3901886	
<b>Total</b>	<b>1,334,208.00</b>	<b>1,469,563.00</b>
<b>7 TRADE PAYABLES</b>		
Micro, Small and Medium Enterprises	3,071,894.00	2,776,719.00
Others	4,252,309.07	154,428,178.00
<b>Total</b>	<b>7,324,203.07</b>	<b>157,204,897.00</b>
<b>8 OTHER CURRENT LIABILITIES</b>		
Statutory Payable for taxes and duties	127,727.00	432,592.00
Other Non-statutory Payables	225,724.00	504,736.00
HDFC Bank Ltd A/c No 18978190000101	-	1,142,669.00
<b>Total</b>	<b>353,451.00</b>	<b>2,079,997.00</b>
<b>9 SHORT TERM PROVISIONS</b>		
Provision for Income Taxes	71,780.00	71,780.00
<b>Total</b>	<b>71,780.00</b>	<b>71,780.00</b>

**10 FIXED ASSETS**

Particulars	Schedules no. 10 of Fixed Assets forming part of Balance Sheet as at 31st March 2014									
	Gross Block			Depreciation			Net Block			
	As at 01.04.2013	Additions during the year	(Deletion) during the year	As at 31.03.2014	As at 31.03.2013	A Charged for the Current Year	Adj.	As at 31.03.2014	Net Block as on 31.03.2014	Net Block as on 01.04.2013
Tangible Fixed Assets										
Computer Hardware	39,910,634.00	202,215.00	2,304,895.00	37,807,954.00	32,216,868.00	2,661,910.00	1,196,012.00	33,727,766.00	4,080,188.00	7,648,766.00
Computer Software	16,072,160.00	112,899.00	-	16,185,059.00	14,942,206.00	477,190.00	-	15,419,396.00	765,663.00	1,129,954.00
Furniture and Fixtures	317,500.00	112,879.00	130,000	300,379.00	36,817.00	42,534.00	27,883.00	51,468.00	248,911.00	280,683.00
Office & Electrical Equipments	1,188,040.00	369,450.00	-	1,557,490.00	234,657.00	162,356.00	-	397,013.00	1,160,477.00	953,383.00
Vehicles	5,925,148.00	-	-	5,925,148.00	3,770,275.00	557,896.00	-	4,328,171.00	1,596,977.00	2,154,873.00
Sub-Total(A)	63,413,482.00	797,443.00	2,434,895.00	61,776,030.00	51,245,823.00	3,901,886.00	1,223,895.00	53,923,814.00	7,852,216.00	12,167,659.00
Previous year	63,042,470.00	371,012.00	-	63,413,482.00	44,648,216.00	6,597,608.00	-	51,245,824.00	12,167,568.00	18,394,254.00
Intangible Assets under Development										
Development Right	17,630,376.00	-	-	17,630,376.00	-	-	-	-	17,630,376.00	17,630,376.00
Sub-Total(B)	17,630,376.00	-	88,700,000.00	17,630,376.00	-	-	-	-	17,630,376.00	17,630,376.00
Previous year	56,330,376.00	-	-	17,630,376.00	-	-	-	-	17,630,376.00	56,330,376.00
Total (A+B)	81,043,858.00	797,443.00	41,134,895.00	79,406,406.00	51,245,823.00	3,901,886.00	1,223,895.00	53,923,814.00	25,482,592.00	29,798,035.00

Particulars	As at March 31, 2014 (Amount in Rs.)	As at March 31, 2013 (Amount in Rs.)
<b>11 NON-CURRENT INVESTMENTS</b>		
Trade Investment		
<b>11.1 In Equity Shares -Quoted</b>		
Siber Software Services (India) Limited	6,000,000.00	6,000,000.00
<b>11.2 In Equity Shares -Unquoted</b>		
Fortunate Infra Devepolers (P) Limited ( 12500 @ Rs.10/- each)	2,500,000.00	2,500,000.00
Glorious Impex Pvt Ltd (12500 @ Rs.10/- each)	2,500,000.00	2,500,000.00
Hightime Marketing Private Limited	-	-
Kreative Finsol Pvt Ltd (90000 @ Rs.10/-each)	900,000.00	900,000.00
Loknath Financial Management Private Limited (16600 @ Rs.10/- each)	400,000.00	400,000.00
Mukesh Commercial (P) Limited (30000 @ Rs.10/- each)	6,000,000.00	6,000,000.00
Niskarsh Properties Pvt Ltd ( 2050000 @ Rs. 10/- each)	20,500,000.00	
Neptune Financial Advisory Private Limited (9000 @ Rs.10/- each)	4,500,000.00	4,500,000.00
Radix Dealcom Pvt Ltd ( 250000 @ Rs.10/- Each)	5,000,000.00	5,000,000.00
Retail Informaion System Pty Ltd	52,361,873.40	50,204,344.00
Rise High Tracom (P) Ltd ( 52500 @ Rs.10/- each)	26,250,000.00	26,250,000.00
Subhlaxmi Financial Management Pvt Ltd (17600 @ Rs.10/- Each)	8,800,000.00	8,800,000.00
Vemuri Finvest (P) Ltd (13000 @ Rs.10/- each)	2,600,000.00	2,600,000.00
Well Build Vanijya (P) Limited (20000 @ Rs.10/- Each)	4,000,000.00	4,000,000.00
 11.3 In Real Estate		
Advance for Property	4,225,000.00	-
	<b>146,536,873.40</b>	<b>119,654,344.00</b>
<b>12 OTHER NON-CURRENT ASSETS</b>		
Preliminary expenses to the extent not written off	1,779,938.00	1,977,710.00
Less written off during the year	(177,994.00)	(197,772.00)
Project Cost	14,071,031.00	-
Total	<b>15,672,975.00</b>	<b>1,779,938.00</b>
<b>13 TRADE RECEIVABLES</b>		
Debts outstanding for a period exceeding six months	123,389,642.00	199,753,213.00
Others	13,216,842.00	29,740,970.00
Total	<b>136,606,484.00</b>	<b>229,494,183.00</b>
<b>14 BANK, CASH AND CASH EQUIVALENTS</b>		
Balance with Scheduled Banks	3,459,722.64	737,560.00
Cash in Hand and Equivalent Cash	2,474,772.31	6,683,251.00
Total	<b>5,934,494.95</b>	<b>7,420,811.00</b>

**USG TECH SOLUTIONS LIMITED**

Particulars	As at March 31, 2014 (Amount in Rs.)	As at March 31, 2013 (Amount in Rs.)
<b>15 Short Term Loans &amp; Advances (Unsecured and Considered Good)</b>		
Short Term Advances	148,558,684.42	174,004,905.00
Total	<b>148,558,684.42</b>	<b>174,004,905.00</b>
<b>16 OTHER CURRENT ASSETS</b>		
Advance Tax & TDS	4,558,988.00	4,401,100.00
Service Tax	358,168.00	-
VAT Refund	204,531.00	-
Other Receivables	2,541,844.00	1,468,765.26
Share Application Money Paid	44,655,000.00	44,655,000.00
Total	<b>52,318,531.00</b>	<b>50,524,865.26</b>
<b>Schedules forming part of Profit and Loss account for the year ended 31st March 2014</b>		
<b>17 Revenue From Operations</b>		
Scientific & Technical Books and other items	-	762,810.00
IT Products & Accessories	24,086,477.00	39,389,357.00
Income from Services	-	20,482,600.00
Total	<b>24,086,477.00</b>	<b>60,634,767.00</b>
<b>18 Other Incomes</b>		
Interest Income	8,102,689.00	3,838,735.00
Other Non-operating Receipts	1,363,809.00	14,942.84
Total	<b>9,466,498.00</b>	<b>3,853,677.84</b>
<b>19 Purchases &amp; Developments</b>		
IT Products & Accessories	24,453,410.00	43,114,680.08
Total	<b>24,453,410.00</b>	<b>43,114,680.08</b>
<b>20 Employees Benefit Expenses</b>		
Salaries	5,043,485.00	6,683,344.00
Staff Welfare	79,926.00	205,408.00
Total	<b>5,123,411.00</b>	<b>6,888,752.00</b>
<b>21 Finance Cost</b>		
Term Loans	189,465.00	238,958.71
Others	-	31,527.42
Total	<b>189,465.00</b>	<b>270,486.13</b>

<b>Particulars</b>	<b>As at March 31, 2014 (Amount in Rs.)</b>	<b>As at March 31, 2013 (Amount in Rs.)</b>
<b>22 Other Expenses</b>		
Directors Remunerations	600,000.00	855,000.00
Audit Fee	25,000.00	25,000.00
Professional, Consultancy & Legal	380,790.00	2,895,631.68
Printing & Stationery	63,276.00	-
Postage and Courier	11,208.00	34,268.00
Telephone, Fax and Internet	337,668.00	361,861.86
Travelling and Conveyance	57,535.00	2,147,803.84
Office Expenses	69,512.00	357,532.34
Rent	401,067.00	1,293,250.00
Bad Debts	327,437.00	8,990.00
Hire Charges	62,500.00	600,000.00
Car Running and Maintenance	-	14,385.00
Data Operation Machine Repair and Maintenance	-	703,734.00
Electricity and Office Maintenance	104,898.00	186,831.00
Generator Running and Maintenance	42,683.00	44,923.00
IT/Sundry Technical Maintenance	68,427.00	81,435.00
Office Equipments Repair and Maintenance	55,422.00	78,746.00
Invertor Repair and Maintenance	-	986.00
Office Repair & Maintenance	8,000.00	27,068.00
Vehicle Running & Maintenance Exp	150.00	580.00
Publication Expenses	60,765.00	62,895.00
Annual General Meeting	3,000.00	-
Depository Fees	111,000.00	110,000.00
Listing Fees	175,000.00	272,500.00
Register & Share Transfer Fee	15,470.00	31,326.00
Fee, Rate, Taxes and Subscription Fee	8,884.00	11,636.00
General and Sundry Expenses	103,128.00	28,415.98
Preliminary Expenses Written Off	177,994.00	197,773.00
Delay in payment of TDS	-	6,664.00
Marketing, Selling & Distribution Exp	13,253.00	30,976.67
Total	<b>3,284,067.00</b>	<b>10,470,212.37</b>



**Notes on Financial Statement forming part of Balance Sheet as at 31st March 2014**
**23 Payment to Managing Director/Directors**

Particulars	Current Year 2013-14	Previous Year 2012-13
Salary	Rs.600000/-	Rs.855000/-
<b>24 Payment to Auditors</b>		
Statutory Audit Fee	Rs.25000/-	Rs.25000/-
Certifications Fee	Rs. 5000/-	Rs. 5000/-

**25 Deferred Tax Liabilities / Assets**

The major components in determination of Deferred Tax Liabilities are as under:-

Difference of depreciation between the Financial Statement and Income Tax Act	Rs.451182/-
<b>Total</b>	<b>Rs.451182/-</b>

Due to calculation of depreciation as per Income Tax Act.

**26 Expenditure in Foreign Currency**

The company has not incurred expenses in foreign currency.

**27 Earning in Foreign Currency**

During the year, the company has not raised any invoice for offshore services

**28 List of key personnel and related parties with relations during the year**
**a) Key Management Personnel**

- i) Sh. Servesh Gupta, Director
- ii) Sh. Satish Kumar Gupta, Director
- iii) Sh. Umesh Bhatt, Director
- iv) Sh. Umesh Sharma, Director
- v) Sh. Anil Kumar Gupta, Director
- vi) Ms. Mala Sharma, Company Secretary

**b) Enterprises over which key management persons or their relative exercise significant influence**

- i) USG Solutions Private Limited

**29 Transaction during the year with related parties**

Nature of Transaction	Key Management Personnel		Enterprises over which key management persons or their relative exercise significant influence	
	Current Reporting Year 2013-14	Previous Reporting Year 2012-2013	Current Reporting Year 2013-14	Previous Reporting Year 2012-2013
Salary	Rs.600000/-	Rs.855000/-	-	-
Security Deposited	N.A.	N.A.	-	Rs.48000000/-
Rent & Hire Charges	N.A.	N.A.	Rs. 200312/-	Rs.600000/-

30 Additional information's pursuant to the provision of paragraph 4C & 4D of part II of schedule VI of the Companies Act, 1956 as per figures prepared and certified by the management are as under:-

a) Particulars in respect of trading products purchased

S.No.	Item	Quantity		Value	
		Current Year 2013-14	Previous Year 2012-2013	Current Year 2013-14	Previous Year 2012-2013
1.	Scientific & Technical Books and other activity	Assorted books	Assorted books	NIL	NIL
2.	Computer Hardware and Accessories	4325	4995	Rs.24451768/-	Rs.43114680/-

b) Particulars in respect of trading products sold

S.No.	Item	Quantity		Value	
		Current Year 2013-14	Previous Year 2012-2013	Current Year 2013-14	Previous Year 2012-2013
1.	Scientific & Technical Books and other activity	Assorted books	Assorted books	-	Rs.762810/-
2.	Computer Hardware and Accessories	4025	4585	Rs.24086477/-	Rs.39389357/-

31 Earnings Per Share(EPS)

	Current Year	Previous Year
Net Profit as per Profit and Loss Account (Amount in Rs)	40273	336039
Number of Equity Share for calculating Basic Value Per Share	39414210	33964210
Number of Equity Share for calculating Diluted Value Per Share	39414210	33964210
Face Value of Equity Share (Amount in Rs.)	10/-	10/-
Basic Earnings Per Share (Amount in Rs.)	0.01	0.01
Diluted Earnings Per Share (Amount in Rs.)	-	-

32 Employees Benefits

The company has not created any fund or trust for meeting its future liability for leave encashment or any other dues to employees. The liability will be met out of from its own fund whenever it may arise in future.

33 Impairment Assets

There was no impairment of assets during the year.

For PVR-N & Co.

Chartered Accountants

For and on behalf of the Board of Directors

Sd/-

**Pradeep Jindal**

Partner

M.No. 82646

FRN 004062N

Place :-Noida

Date :-31th May, 2014

Sd/-

Satish Gupta

Director

Sd/-

Servesh Gupta

Director

**USG TECH SOLUTIONS LIMITED**

**CIN:** L72200TG1999PLC032129

**Regd. Off.:** H.No. 1/95/1/5-6, 2nd Floor, Guttala Begumpet near Kavuri Hills,  
Phase 2, Madhapur, Hyderabad – 500081

**PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies  
(Management and Administration) Rules, 2014]

**Name & Address of Member:** .....

**Regd. Folio No.:** .....

**D.P. ID / Client ID :** .....

**E-mail Id :** .....

I / WE, being a member(s) of \_\_\_\_\_ equity shares of the above named Company, hereby appoint

Name: \_\_\_\_\_ Email : \_\_\_\_\_

Address: \_\_\_\_\_

Signature: \_\_\_\_\_ or failing him/her

Name: \_\_\_\_\_ Email : \_\_\_\_\_

Address: \_\_\_\_\_

Signature: \_\_\_\_\_ or failing him/her

Name: \_\_\_\_\_ Email : \_\_\_\_\_

Address: \_\_\_\_\_

Signature: \_\_\_\_\_ or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 15<sup>th</sup> Annual general meeting of the company, to be held on the Monday, the 29<sup>th</sup> September, 2014 at 16:00 Hrs at Hyderabad and at any adjournment thereof in respect of such resolutions as are indicated below :

**Resolution number**

**Resolution**

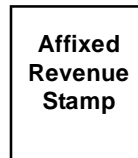
Ordinary Business

- 1 Adoption of Annual Accounts of the Company as on March,31 2014
- 2 To appoint a Director in place of retiring Director
- 3 Appoint auditors and authorize Board of Directors to fix their remuneration.

Special Business

- 4 Alteration in Object Clause in Memorandum of Association of the Company
- 5 Shifting of Registered Office of the Company from the state of Telangana to National Capital Territory of Delhi & Haryana

Signed this .....day of ..... 2014



Signature of shareholder

Signature of Proxy holder(s)

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**

**USG TECH SOLUTIONS LIMITED**

**CIN:** L72200TG1999PLC032129

**Regd. Off.:** H.No. 1/95/1/5-6, 2nd Floor, Guttala Begumpet near Kavuri Hills,  
Phase 2, Madhapur, Hyderabad – 500081

**Attendance Slip For Attending Annual General Meeting**

Regd. Folio No..... No. of Shares held .....

DP ID. No. .... Client ID. No. ....

I certify that I am a member / proxy for the member(s) of the Company.

I hereby record my presence at the 15<sup>th</sup> Annual General Meeting of the Company at H. No. 1/95/1/5-6, 2<sup>nd</sup> Floor, Guttala Begumpet, Near Kavuri Hills, Phase-2, Madhapur, Hyderabad-500081, at 16:00 hrs on Monday, 29<sup>th</sup> September, 2014.

.....  
Member's / Proxy's Name in Block Letters

.....  
Signature of Member/ Proxy

Note: Please fill up this attendance slip and hand over at the entrance of the meeting hall.

## **BOOK POST**

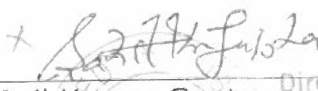
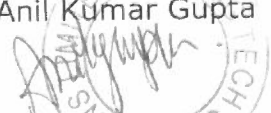
If undelivered, please return to:

**USG TECH SOLUTIONS LIMITED**

H.No. 1/951/5-6 2nd Floor, Guttala Begumpet, Near Kavuri Hills Phase 2  
Madhapur, Hyderabad - 500081.

**FORM A (Pursuant to clause 31(a) of Listing Agreement)**

**Format of covering letter of the annual audit report to be filed with the stock exchanges**

1.	Name of the Company	USG Tech Solutions Limited
2.	Annual financial statements for the year ended	31st March, 2014
3.	Type of Audit observation	N.A.
4.	Frequency of observation	N.A.
5.	<b>To be signed by-</b>	
a.	Whole Time Director	Mr Servesh Gupta  Director
b.	Chairman	Mr Satish Kumar Gupta  Director
c.	Audit Committee Chairman	Mr Anil Kumar Gupta  Director
d.	Company Secretary	Mala Sharma  For USG TECH SOLUTIONS LIMITED

Company Secretary