

14th ANNUAL REPORT 2011



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CORPORATE INFORMATION

Chairman

Shri Prashant Jhawar

Vice-Chairman

Shri Rajeev Jhawar

Directors

Sir Stephen Harry Waley Cohen Bt.
Shri Subrata Kumar Mitra
Shri Rameshwar Pal Agrawal
Dr. Saugata Banerjee
Shri Shiva Kumar Barasia
Shri Trivikram Khaitan
Shri Rahul Choudhary
Shri Debjit Bhattacharya - Whole-time Director

Company Secretary

Dr. R. N. Chakraborty

Bankers

IDBI Bank Ltd.
The Hongkong & Shanghai Banking Corp Ltd
IndusInd Bank Ltd
ICICI Bank Ltd
Axis Bank Ltd.

Auditors

S. Swarup & Co.
21, Hemanta Basu Sarani, 3rd Floor,
Room No. 303, Kolkata - 700 001

Registered Office

Mangal Kalash
2A, Shakespeare Sarani, Kolkata – 700 071
Phone : 033-3980 0300, Fax : 033-3980 0400
E-mail : investors@umitl.co.in
Website : www.umesl.co.in

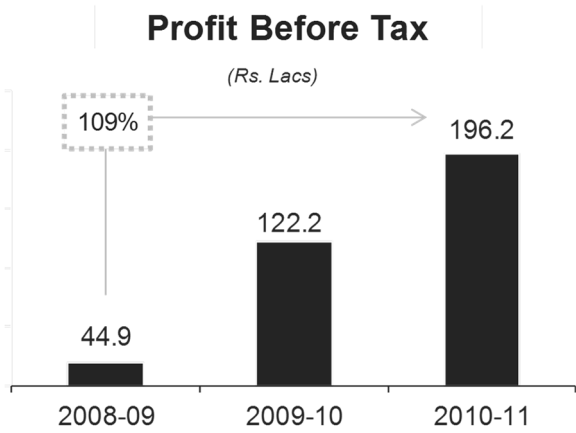
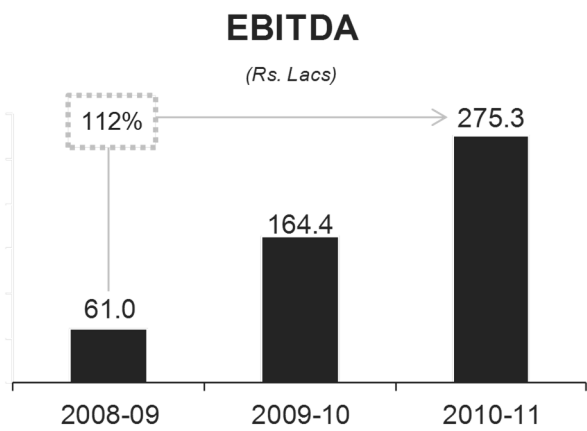
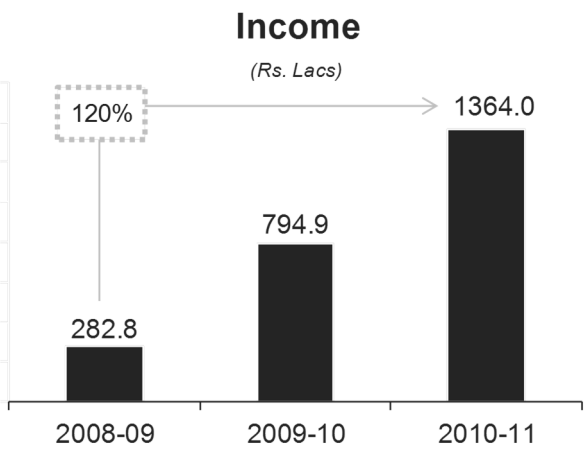
Corporate Office

PS Srijan Techpark, 4th Floor, DN - 52,
Sector-V, Salt Lake City, Kolkata - 700 091
Tel.: +91 33 4013 4700, Fax: +91 33 4013 4800
E-mail : contact@umitl.co.in

Registrar and Transfer Agent

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

1 Financial Highlights



 CAGR in % (2008-09 to 2010-11)

NOTICE TO THE MEMBERS

NOTICE is hereby given that the 14th Annual General Meeting of the members of Usha Martin Education & Solutions Limited will be held on Thursday, the 28th day of July, 2011 at 2.30 P.M. at "Sripati Singhania Hall", Rotary Sadan, 94/2, Jawaharlal Nehru Road, Kolkata – 700 020 to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011, Profit & Loss Account for the year ended on that date and the Report of the Directors and Auditors thereon.
2. To appoint a director in place of Shri Rajeev Jhawar who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a director in place of Sir Stephen Harry Waley Cohen Bt. who retires by rotation and being eligible offers himself for reappointment.
4. To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

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

Special Business

5. To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Section 260 of the Companies Act, 1956 and Article 86(a) of the Articles of Association of the Company, Shri Rameshwar Pal Agrawal who was appointed as an Additional Director on the Board of Directors of the Company with effect from 27th January, 2011 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has, pursuant to Section 257 of the Companies Act, 1956, received a notice in writing proposing his candidature for the office of director, be and is hereby appointed a Director of the Company, liable to retire by rotation.

RESOLVED FURTHER that Dr. R N Chakraborty, Company Secretary of the Company is and be hereby authorized to take all necessary, expedient and effective steps and execute all documents and writings as the case may be for the implementation of the resolution and to do all such acts, deeds, matters and things as he may deem fit and proper for giving effect to above."

6. To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Section 198, 269, 309, 310, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and in terms of Article 114 of Articles of Association of the Company, and all other applicable guidelines for managerial remuneration issued by the Central Government from time to time, the Company hereby ratifies the reappointment of Shri Debjit Bhattacharya as the Whole-Time Director of the Company for another period of two years with effect from 1st March, 2011 upon the terms and conditions embodied in the Agreement placed, which agreement is hereby sanctioned with the liberty to the Board of Directors (which term shall be deemed to include the Committee, if any, constituted by the Board of Directors from time to time) to alter and vary, subject to necessary approvals as may be required from time to time, the terms and conditions of the said reappointment and/or Agreement in such manner as may be agreed to between the Board of Directors and Shri Debjit Bhattacharya.

RESOLVED FURTHER that Dr. R. N. Chakraborty, Company Secretary of the Company is and be hereby authorized to take all necessary, expedient and effective steps and execute all documents and writings as the case may be for implementation of the resolution and to do all such acts, deeds, matters and things as he may deem fit and proper for giving effect to the above."

Registered Office :
Mangal Kalash
2A, Shakespeare Sarani,
Kolkata - 700 071
Dated : 11th May, 2011

By Order of the Board of Directors

Dr. R.N. Chakraborty
Company Secretary

Notes:

1. A member entitled to attend and vote at the Annual General Meeting (the Meeting) is entitled to appoint a proxy and, in case of a poll to vote instead of himself and such proxy need not be a member of the Company.
2. Proxy form in order to be effective, must be duly stamped, executed and reach the registered office of the Company not later than 48 hours before the time of commencement of the Meeting.
3. Corporate Members are requested to send to the registered office of the Company a duly certified copy of the board resolution, pursuant to Section 187 of the Companies Act, 1956, authorizing their representative to attend and vote at the Meeting.
4. Members/proxy holders are requested to bring their attendance slip duly signed so as to avoid inconvenience.
5. The related Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 is annexed and form part of this notice.
6. The Register of Members and the Share Transfer Book of the Company will remain closed from 15th July, 2011 to 28th July, 2011 (both days inclusive).
7. Members are requested to intimate to the Company queries, if any, on the Accounts at least 10 days before the meeting to enable the management to keep the required information available at the meeting.
8. Members holding shares in physical form are requested to advise any change in their registered address, transfer of equity shares and allied matters to the Company's Registrar and Transfer Agent, MCS Limited quoting their folio number. Members holding shares in electronic form must send the advice about change in their registered address or bank particulars, transfer of equity shares and allied matters to their respective Depository Participant and not to the Company.
9. In all correspondence with the Company or with its Share Transfer Agent, members are requested to quote their folio number and in case the shares are held in the dematerialised form, they must quote their Client ID Number and their DPID Number.
10. As per the Circular no. 17/2011 dated 21st April, 2011 issued by Ministry of Corporate Affairs, members are requested to register their email address either with the Registrar and Transfer Agents of the Company, i.e., MCS Ltd or with their Depositories for electronic communication. An Email Registration form is enclosed which may be filled and sent to the Registrar and Transfer Agent.
11. Equity shares of the Company are under compulsory Demat trading by all investors. Those members, who have not dematerialized their shares, are advised to dematerialize their shareholding, to avoid inconvenience in future.
12. Members who are holding equity shares in identical order of names in more than one folio are requested to write to the Company's Registrar and Transfer Agent, MCS Limited to enable the Company to consolidate their shareholding in one folio.
13. All documents referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office of the Company from 10 AM to 12 Noon on all working days until the date of Meeting or any adjournment(s) thereof.

14. Members are requested to bring with them their copy of Annual Report to the Meeting.

15. Appointment/Reappointment of Directors:

Shri Rajeev Jhawar, Director of the Company, retires by rotation at the ensuing Annual General Meeting of the Company and, being eligible, offers himself for reappointment.

Sir Stephen Harry Waley Cohen Bt., Director of the Company, retires by rotation at the ensuing Annual General Meeting of the Company and, being eligible, offers himself for reappointment.

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

Name of Director	Shri Rajeev Jhawar	Sir Stephen Harry Waley Cohen Bt.
Date of Birth	11/11/1964	22/06/1946
Date of Appointment	04/03/2000	30/06/2008
Qualification	B.Com, Management Development Courses at London Businesses School	M.A. from Magdalene College, Cambridge, Honorary Doctorate from Ben Gurion University, Israel
Expertise in specific functional areas	Management of conglomerates	Management, finance and marketing sector
List of outside Directorship held excluding Alternate Directorship and Private companies	Usha Martin Limited, Usha Martin Finance Limited, Usha Breco Limited, Usha Breco Realty Limited, KGVK Rural Enterprises Limited, Neutral Publishing House Ltd, Guftav Wolf Specialty Cords Limited, Usha Martin International Limited, UK, Usha Siam Steel Industries Limited, Brunton Shaw UK Limited, Usha Martin U.K. Limited, Brunton Wolf Wire Rope Fzc, Usha Communication Technology BVI and EMMC Ltd. UK	Badgworthy Land Company Ltd, D & S Management Ltd, Honeymead Enterprises Limited, Love Story the Musical Limited, Love Story Production Limited, Mousetrap Production Limited, S M Theatre Limited, Theatre Investment Fund Limited, Theatre Management Limited, Victoria Palace Theatre and West End Theatre Managers Limited. (All the above being Companies incorporated outside India)
Chairman/Member of the Committee of the Board of Directors of the Company	Shareholder & Investors Grievance Committee (Chairman) Remuneration Committee (Member)	Remuneration Committee (Chairman)
Chairman/Member of the Committee of the Board of Directors of other companies		
a. Audit committee	Nil	Nil
b. Share Transfer Committee	Usha Martin Limited	Nil
c. Investor Grievance Committee	Usha Martin Limited	Nil

Explanatory statement under Section 173(2) of the Companies Act, 1956, for Item no. 5 and 6 of the accompanying Notice is as under:

Item no. 5

As per the provisions of Section 260 of the Companies Act, 1956, and Article 86(a) of the Articles of Association of the Company, Shri Rameshwar Pal Agrawal was appointed as an Additional Director on the Board of Directors of the Company with effect from 27th January, 2011 to hold office up to the date of the forthcoming Annual General Meeting. Shri Rameshwar Pal Agrawal vacates his office at this Annual General Meeting.

Pursuant to Section 257 of the Companies Act, 1956, the Company has received a notice in writing along with requisite deposit proposing his candidature for the office of director, liable to retire by rotation. Further the Company has received consent letter from Shri Rameshwar Pal Agrawal to act as a Director of the Company, if appointed.

As required under the Corporate Governance Code, the brief profile of Shri Rameshwar Pal Agrawal is given below:

Shri Rameshwar Pal Agrawal, aged about 61 years, is a retired IAS officer of 1972 Batch of Andhra Pradesh cadre. He had worked as the Secretary, Department of Higher Education, Ministry of Human Resource Development (MHRD), New Delhi, Joint Secretary [Trade Policy – WTO] in the Commerce Ministry, Government of India, and was a member of India's delegation to WTO's Ministerial Conferences at Seattle and Doha. He was selected as an Expert Panelist by the WTO for its Dispute Settlement Body. Further, he had worked as India's Deputy Chief of Mission at Embassy of India, Brussels accredited to EU, Belgium & Luxembourg during the years 2002 to 2005. He had been the Vice-Chairman & Managing Director of Hyderabad Allwyn Limited and also the Chairman of Allwyn Nissan Ltd. Apart from these, he had held several important positions in the Government of Andhra Pradesh. At present, he is working as the Chairman of the Board of Governors of the IIT Delhi and is also a Member on the Project Approval Board of the National Mission on Education through ICT of the Ministry of Human Resources Department, Government of India.

Shri Rameshwar Pal Agrawal is deemed to be interested in the proposed resolution to the extent of his appointment as a Director. No other Director of the Company is interested in this resolution.

The Board of Directors of your Company is of the opinion that his appointment would be beneficial to the Company and hence recommend the resolution at item no. 5 for your approval.

Item No. 6

Shri Debjit Bhattacharya was reappointed as a Whole-time Director at a meeting of the Board of Directors on 27th January, 2011, to hold office as such with effect from 1st March, 2011 for another period of two years subject to the approval of the members at the ensuing Annual General Meeting of the Company and other necessary approvals, if any.

As required under the Corporate Governance Code, the brief profile of Shri Debjit Bhattacharya is given below:

Shri Debjit Bhattacharya, aged about 44 years, is an Associate Member of Institute of the Cost and Works Accountants of India with more than 15 years of experience. He has vast experience of working in various industry verticals and has been working in IT industry for more than 8 years. Prior to joining the Company, he has served Bonsai Network India Pvt. Ltd., Compaq Computer India Pvt. Ltd., Asiatic Oxygen Ltd and Sunderban Fertilizers Ltd. He has sound knowledge in US GAAP, India GAAP, handling bank and financial institutions and other statutory compliances. He is also a Director on the Board of Usha Martin Education Private Limited, a subsidiary concern of the Company.

Shri Debjit Bhattacharya is deemed to be interested in the proposed resolution to the extent of his reappointment as a Whole-time Director. No other Director of the Company is interested in this resolution.

The Board of Directors of your Company is of the opinion that his reappointment would be beneficial to the Company and hence recommend the resolution at item no. 6 for your approval.

Registered Office:

MangalKalash

2A, Shakespeare Sarani,

Kolkata 700 071

Dated: 11th May, 2011

By Order of the Board of Directors

Dr. R.N. Chakraborty

Company Secretary

DIRECTORS' REPORT THE MEMBERS

Your Directors have pleasure in presenting the 14th Annual Report, together with the Audited Statement of Accounts of the Company for the financial year ended 31st March, 2011.

Financial Results:

(₹ in '000)

Particulars	Standalone		Consolidated	
	Year ended 31.3.2011	Year ended 31.3.2010	Year ended 31.3.2011	Year ended 31.3.2010
Gross Income	1364,03	794,94	1574,03	794,94
Gross Profit/(loss) before Interest and Depreciation	275,30	164,35	282,20	164,35
Less Interest	6,05	0.00	6,05	0.00
Less Depreciation	73,08	42,17	76,94	42,17
Profit/(loss) for the year	196,17	122,18	199,21	122,18
Less Provision for Tax (Net)	39,10	20,76	39,71	20,76
Profit/(loss) After Tax	157,07	101,42	159,50	101,42
Profit/ (loss) brought from Previous Year	—	—	—	—
Amount Available for Appropriation	157,07	101,42	159,50	101,42
Dividend	—	—	—	—
Transfer (to)/from Reserves and Surplus	(157,07)	(101,42)	(159,50)	(101,42)
Balance Carried to Balance Sheet	—	—	—	—

Financial Review

During the financial year ended 31st March 2011, your Company recorded standalone revenue of ₹ 13.64 Crore, which on a year-on-year comparison is approximately 72% increase. Consolidated revenue for the current financial year is 98% increase over last financial year. Standalone profit after tax of ₹ 1.57 Crore is an increase of approximately 55% (year on year), whereas Consolidated profit after tax stood at ₹ 1.59 Crore, which is 57% increase on year on year basis. Ratio analysis and future outlook of the Company has been included in Management Discussion and Analysis section.

Dividend

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

Subsidiary

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

The financial statements of the subsidiary company and other detailed information will be made available to the members seeking such information at any point of time. The annual accounts of the subsidiary company will also be available for inspection at the registered office of the company as well as at the registered office of the subsidiary.

Consolidated Financial Statements

The Audited Consolidated Financial Statements based on the Financial Statements received from subsidiary company, as approved by its Board of Directors, have been prepared in accordance with the Accounting Standard 21 (AS-21) – Consolidated Financial Statements as notified under Section 211 (3C) of the Companies Act, 1956 read with Companies

(Accounting Standards) Rules, 2006 as applicable. Further, the Consolidated Financial Statements are also presented in accordance with Clause 41 of the Listing Agreement entered into with the stock exchanges where the shares of the Company are listed.

Group

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

Public Deposit

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

Directors

During the year under review Shri Rameshwar Pal Agrawal had been appointed as an Additional Director of the Company with effect from 27th January, 2011. In terms of Section 260 of the Companies Act, 1956, Shri Agrawal shall vacate his office at the ensuing Annual General Meeting. A suitable resolution has been proposed in the Notice of the Annual General Meeting for his appointment.

Shri Rajeev Jhawar and Sir Stephen Harry Waley Cohen Bt. retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Corporate Governance

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

During the year under review various committees of Directors were reconstituted. The same has been mentioned in the report on Corporate Governance.

Management Discussion and Analysis

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

CEO / CFO Certification

The Whole-time Director of the Company has submitted a certificate to the Board as required under Clause 49 of the Listing Agreement for the year ended 31st March 2011.

Directors' Responsibility Statement

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

- (i) That in preparation of the accounts for the financial year ended 31st March 2011, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the Directors have prepared the accounts for the financial year ended 31st March 2011 on a 'going concern' basis.

Auditors

M/s S. Swarup & Co., Chartered Accountants, have communicated their willingness to act as the Auditors of the Company subject to necessary approval at the forthcoming Annual General Meeting under Section 224 (1B) of the Companies Act, 1956 and the Board recommend their appointment.

Human Resources

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

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

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

Energy, Technology and Foreign Exchange Earning and Outgo

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

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

Earnings	₹ 69.73 Lakhs
Outgo	₹ 1.65 Lakhs

Compliance Certificate

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

Acknowledgements

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

On behalf of the Board of Directors

Place : Kolkata
Dated : 11th May, 2011

Prashant Jhawar Chairman
Debjit Bhattacharya Whole-time Director



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MANAGEMENT DISCUSSION AND ANALYSIS

During the year 2010-11 the Company consolidated its growth strategies and continued to expand its operations in the education domain. Last year your Company had adopted the strategy of expansion through infrastructure partner model, which has paid off well. The Company has successfully added 6 centers during the financial year 2010-11, taking the total number of centers to 12. Your company continues to provide school education services in K-12 segment through its subsidiary.

On a year on year basis, Revenues and After-tax Profits grew by 72% and 55% respectively. Several key ratios are mentioned below:

Particulars	Year ended 31.3.2011	Year ended 31.3.2010
Profitability Ratio:	%	%
EBITDA/ Net Sales	21	21
PBT/ Sales	14	15
PAT/ Sales	12	13

Industry Overview:

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

Indian Government's commitment towards education is clearly depicted by an allocation of ₹ 52,057 Crores, which is 24% increase over last year. Further Union Budget 2011-12 provides a 40% increase in allocation for Sarva Sikha Abhiyan, taking the total allocation to ₹ 21,000 crores. The government is spending equally on information technology backbone dedicated for higher learning and research under its National Knowledge Network scheme.

With approximately one million schools, 20677 colleges and 431 universities (255 universities, 113 deemed universities, 28 private universities and 38 institutes of national importance), having 11.7 million students enrolled for higher education, core education segment is estimated to be worth \$30 billion. K-12 is the largest growing segment at a CAGR of 14%, serving a population of approximately 343 million children in the age group of 5 to 19 years.

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

Company Outlook & Strategy for 2011-12

The Company will continue to focus on growth and expansion by applying a proper mix of organic and inorganic growth methods. Strategy for growth of training centers using infrastructure partner model has been successful. During the financial year 2011-12 the Company wishes to continue expansion of training centers using this asset-light model.

During financial year 2010-11, management consolidated the delivery process which is expected to augment the Company's delivery capacity and capability during the year 2011-12. The Company successfully trained and provided placement assistance to over 75% of students enrolled in its various study centers. K-12 school management services are expected to grow during the coming years and the Company expects to expand its operations in eastern and other parts of the country using regional partner model. The Company through its wholly owned subsidiary continues to provide end-to-end school management services to twelve K-12 schools in eastern India. These schools have more than 2500 students.

Business Review

Learning Business Segment

Six new infrastructure partner centers have been added during the financial year 2010-11, taking the total number of centers to twelve. All these centers are performing satisfactorily. School management services are contributing to the revenue growth.

Opportunities

Indian Government's emphasis on education and target of increasing General Enrolment Ratio (GER) of Higher Education to 15% from 12.4% by the end of 11th Five Year plan and 21% by the end of 12th Five year plan coupled with insufficient number of public schools and approximately 343 million children in age group 5-19 years present a unique opportunity for growth of education business.

Risk & Concerns

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

Adequacy of Internal Controls

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

Human Resources

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

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

Forward Looking Statements

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

On behalf of the Board of Directors

Place : Kolkata
Dated : 11th May, 2011

Prashant Jhawar	Chairman
Debjit Bhattacharya	Whole-time Director

REPORT ON CORPORATE GOVERNANCE

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

I. BOARD OF DIRECTORS

➤ Composition

The total strength of your Board of Directors is ten members consisting of one Non-Executive Chairman, eight Non-Executive Directors and one Executive Director. The Board comprised of five independent directors out of total ten members.

None of the Directors on the Board is Member of more than ten Committees or a Chairman of more than five Committees (as specified under Clause 49 of the Equity Listing Agreement), across all the country in which he is a Director. All the Directors have furnished a notice of disclosure of interest as specified under Section 299(1) of the Companies Act, 1956 ('the said Act'). The Company maintains Register of Contracts and details of companies and firms in which Directors are interested as provided under Section 301 (1) of the said Act.

Composition of the Board of Directors and their shareholding as on 31st March, 2011

Name	Designation	No. of Outside Directorship held @	No. of outside Committee position held		No. of Equity Shares held
			Member	Chairman	
Shri Prashant Jhavar	Chairman/Non-Executive/Dependent	7	1	-	134,220
Shri Rajeev Jhavar	Vice - Chairman / Non- Executive/ Dependent	7	2	-	36,957
Sir Stephen Harry Waley Cohen Bt.	Non-Executive / Independent	-	-	-	-
Shri Subrata Kumar Mitra	Non-Executive/ Independent	8	4	2	-
*Shri Rameshwar Pal Agrawal	Non-Executive/ Independent	-	-	-	-
Dr. Saugata Banerjee	Non-Executive / Dependent	2	-	-	630,800
Shri Shiva Kumar Barasia	Non-Executive/ Dependent	6	-	-	200
Shri Trivikram Khaitan	Non-Executive/ Independent	2	-	-	-
Shri Rahul Choudhary	Non-Executive / Independent	-	-	-	-
Shri Debjit Bhattacharya	Whole-time Director /Executive	-	-	-	16,000

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

*Shri Rameshwar Pal Agrawal was appointed as an Additional Director with effect from 27th January, 2011.

Summary of Composition of the Board of Directors

Directors	Number
Dependent, Non-Executive	Four
Independent, Non Executive	Five
Executive	One

➤ **Meeting of the Board of Directors**

The dates of the Board Meeting are fixed in advance and accordingly intimation is sent to the Board Members. Senior officials are also invited to attend the meetings to provide clarification as and when required. During the year under review, 7 (seven) Board meetings were held. The dates on which the Board Meetings were held are as follows:

11th May, 2010, 18th June, 2010, 6th August, 2010, 26th October, 2010, 31st December, 2010, 27th January, 2011 and 11th February, 2011.

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

Director	Board Meetings Attended	Attended Last AGM
Shri Prashant Jhawar	5	Yes
Shri Rajeev Jhawar	3	Yes
Sir Stephen Harry Waley Cohen Bt.	4*	Yes
Shri Subrata Kumar Mitra	4	Yes
Shri Rameshwar Pal Agrawal	1	N.A.
Dr. Saugata Banerjee	7	Yes
Shri Shiva Kumar Barasia	5	Yes
Shri Trivikram Khaitan	7	Yes
Shri Rahul Choudhary	7	Yes
Shri Debjit Bhattacharya	7	Yes

* Sir Stephen Harry Waley Cohen Bt. attended 3 (three) meetings through Telephonic Conference.

➤ **Term of office of Directors**

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

➤ **Functioning and responsibilities of Board of Directors**

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

➤ **Compliance with Laws**

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

➤ **Code of Conduct**

During the year, the Board amended the Code of Conduct for Board Members and Senior Executive of the Management, the same has been circulated to all concerned and is also hosted on the website of the Company. As per Clause 49 of the Equity Listing Agreement, the Board Members and Senior Executives of the Management have given their declarations confirming compliance of the provisions of the above Code of Conduct.

II. AUDIT COMMITTEE

➤ Constitution of Audit Committee

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

On 11th May, 2010, the Audit committee was reconstituted. The members of Audit Committee as on 31st March 2011:

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

The Company Secretary acts as the Secretary of the committee.

➤ Meeting of the Audit Committee

The dates of the Audit Committee Meeting are fixed in advance and accordingly intimation is sent to the Audit Committee Members. During the year under review, 4 (four) Audit Committee Meetings were held on 11th May, 2010, 6th August, 2010, 26th October, 2010 and 27th January, 2011.

Director	Audit Committee Meetings attended
Shri Rahul Choudhary	4
Shri Shiva Kumar Barasia	2
Shri Trivikram Khaitan	4

The Chairman of the Audit Committee had attended the last Annual General Meeting held on 6th August, 2010.

➤ Terms of Reference for Audit Committee

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

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

8. To look into the reasons for substantial defaults, if any, in the payment to the investors and creditors.
9. To review Corporate Governance & other compliances.
10. To review any internal investigation reports and the functioning of the Whistle Blower mechanism, in case the same is existing.
11. To implement and monitor requirements as set out in Rules on Prevention of Insider Trading.
12. Any other functions as may be delegated by the Board.

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

III. REMUNERATION COMMITTEE (NON MANDATORY)

➤ Constitution of Remuneration Committee

In the Board Meeting held on 31st December 2010, the Board had reconstituted the Remuneration Committee. As on 31st March 2011, the Committee comprises of following members:

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

The Company Secretary acts as Secretary of the Committee.

➤ Meeting of the Remuneration Committee

During the financial year ended 31st March 2011, one meeting was held on 27th January, 2011 to consider, review and recommend the terms of reappointment of Shri Debjit Bhattacharya as a Whole-Time Director of the Company.

➤ Terms of Reference of Remuneration Committee

The Terms of Reference of the Committee are as follows:

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

➤ Details of Remuneration paid to all Directors

● Executive Directors

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

Executive Director	Relationship with other Directors	Business relationship with the Company	All elements of remuneration package	Fixed components and performance linked incentives	Service contracts, notice period	Stock options details, if any
Mr. Debjit Bhattacharya (reappointed with effect from 01.03.11)	None	Whole-time Director	Pl. see note below	Pl. see note below	Pl. see note below	Pl. see note below

Notes:

- a) Details as per Note 10a of Schedule 'O' to the Notes on Accounts;
- b) The appointment is subject to termination by 3 months notice in writing from either side;
- c) The Company does not have any scheme for grant of stock options to its Directors and Employees.

● **Non - Executive Directors**

Directors	Sitting Fees Paid (₹)
Shri Prashant Jhavar	10,000
Shri Rajeev Jhavar	6,000
Sir Stephen Harry Waley Cohen Bt.	2,000
Shri Subrata Kumar Mitra	8,000
Shri Rameshwar Pal Agrawal	2,000
Dr. Saugata Banerjee	14,000
Shri Shiva Kumar Barasia	10,000
Shri Trivikram Khaitan	14,000
Shri Rahul Choudhary	14,000

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

● **Audit Committee Members**

Directors	Sitting Fees Paid (₹)
Shri. Rahul Choudhary	8,000
Shri. Shiva Kumar Barasia	4,000
Shri. Trivikram Khaitan	8,000

IV. SHAREHOLDERS & INVESTORS GRIEVANCE COMMITTEE

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

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

In the Board Meeting held on 11th May, 2010, the Board had reconstituted the Shareholders & Investors Grievance Committee, comprising of following members as on 31st March 2011:

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

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

➤ **Terms of Reference of the Committee**

The Terms of Reference of the Committee are as follows:

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

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

Status of complaints for the period from 01-04-2010 to 31-03-2011

Complaints pending as on 1st April, 2010	Nil
Number of complaints received	15
Number of complaints attended to/resolved	15
Complaints pending as on 31st March, 2011	Nil
Number of share transfer pending for approval as on 31 st March, 2011	Nil

V. GENERAL BODY MEETINGS

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

Date	Venue	Special Resolutions Passed
6 th August, 2010 3.30 P.M	Shripati Singhanian Hall, Rotary Sadan, 94/2, J.N Road, Kolkata	For carrying on new business activity under Section 149(2A) of Companies Act, 1956
7 th August, 2009 10.00 AM	Shripati Singhanian Hall, Rotary Sadan, 94/2, J.N Road, Kolkata	None
22nd September, 2008 10.00 AM	Shripati Singhanian Hall, Rotary Sadan, 94/2, J.N Road, Kolkata	None

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

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

➤ Financial performance of the Company

The Company's Standalone Revenue showed an increase of 72% over last year. Company's Standalone After-tax Profit was registered at ₹157.07 Lakhs (an improvement of 55% over last financial year).

➤ Subsidiaries

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

VI. DISCLOSURES
➤ Materially significant related party transactions

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

Transactions with the related parties are disclosed in Note 7 of Schedule 'O' to the Accounts.

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

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

➤ **Disclosure of Accounting treatment**

The financial statements are prepared on accrual basis of accounting and in accordance with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India from time to time, Indian GAAP, provisions of the Companies Act, 1956 and comply in material aspects with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 read with the Companies (Accounting Standard) Rules, 2006.

➤ **CEO/CFO Certification**

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

➤ **Reconciliation of Share Capital Audit**

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

Non Mandatory Conditions

➤ **The Board**

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

➤ **Remuneration Committee**

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

➤ **Audit Qualification**

There is no audit qualification.

The rest of the Non Mandatory Requirements such as Shareholders' Right, Training of Board Members, Mechanism of evaluating non-executive Board Members and Whistle Blower Policy will be implemented by the Company as and when required and / or deemed necessary by the Board.

VII. MEANS OF COMMUNICATION

➤ **Financial Results**

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

➤ **Press Releases**

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

➤ **Website**

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

➤ **Annual Report**

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

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

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

VIII. GENERAL SHAREHOLDERS INFORMATION

➤ Date of Incorporation	18 th August, 1997	
➤ Corporate Identity Number (CIN)	L31300WB1997PLC085210	
➤ Registered Office	2A, Shakespeare Sarani, Kolkata – 700 071	
➤ Date, time and Venue of Annual General Meeting	28 th July 2011, Thursday at 2-30 P.M. at "Sripati Singhanian Hall", Rotary Sadan, 94/2, Jawaharlal Nehru Road, Kolkata – 700 020	
➤ Financial Calendar (tentative and subject to change)		
◆ Financial reporting for the first quarter ending June 30, 2011	On or before 14 th August, 2011	
◆ Financial reporting for the second quarter ending September 30, 2011	On or before 14 th November, 2011	
◆ Financial reporting for the third quarter ending December 31, 2011	On or before 14 th February, 2012	
◆ Audited Results for the year ended March 31, 2012	On or before 30 th May, 2012	
◆ Annual General Meeting for the year ended March 31, 2012	On or before 30 th September, 2012	
➤ Date of Book Closure	15 th July 2011 to 28 th July 2011	
➤ Dividend Payment Date	Not Applicable	
➤ Listing on Stock Exchange and Code Number	Stock Exchange	Scrip Code
◆ Equity Shares	Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers, Dalal Street Mumbai – 400 001	532398 UMESL

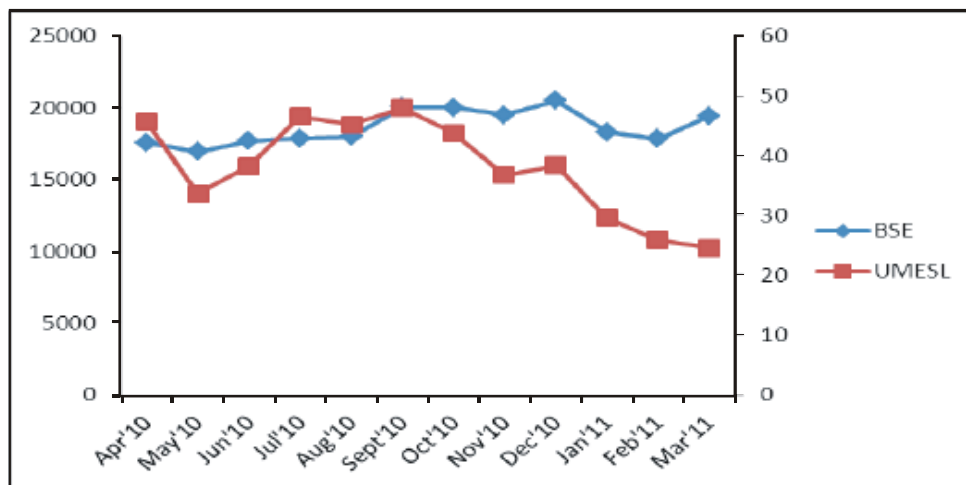
	National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor Plot No.C/1, G Block Bandra Kurla Complex, Bandra (E) Mumbai – 400 051	UMESLTD
◆ Global Depository Receipt (GDRs)	Societ� de la Bourse de Luxembourg Societe Anonyme, R.C.B.6222B. P. 165, L-2011 Luxembourg	UMIFG
◆ Overseas Depository for GDRs	Deutsche Bank Trust Company Americas 60, Wall Street, New York, NY 10005 United States	
◆ Domestic Custodian of GDRs	ICICI Bank Limited Securities Market Services, 1 st floor, Empire complex, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013	
➤ ISIN	Fully paid up equity shares: ISIN INE240C01028 GDRs : US91730W1053	

➤ Market Price Data

Month	NSE			BSE		
	High	Low	Volume	High	Low	Volume
Mar11	29.50	24.00	394,454	28.55	24.20	255,935
Feb11	33.40	23.00	209,234	30.60	23.00	287,394
Jan11	42.45	28.90	401,908	42.90	28.80	157,714
Dec10	41.55	32.50	200,533	40.75	30.05	271,401
Nov10	46.20	32.15	389,426	46.00	33.15	336,115
Oct 10	50.00	42.05	768,133	49.90	42.30	656,161
Sep10	52.50	44.50	1,773,035	56.45	44.75	1,368,793
Aug10	62.95	41.15	6,530,721	56.50	41.50	4,653,642
Jul 10	59.15	36.60	3,794,094	63.00	30.00	2,665,982
Jun10	40.15	32.50	291,462	39.80	32.15	409,643
May10	49.80	33.15	571,313	49.90	33.45	586,098
Apr10	69.40	41.60	1,040,168	68.45	42.50	1,352,092

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

Comparison of monthly closing price of the Company with monthly closing BSE Sensex during the period April 2010 to March, 2011 is given below:



➤ **Registrar and Transfer Agents**

MCS Limited
77/2A, Hazra Road Kolkata – 700 029
Ph: 2454 1892 to 93, Fax : 033 2474 7674
E-mail : mcskol@rediffmail.com
Website : www.mcsdel.com

➤ **Share Transfer System**

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

➤ **Pattern of shareholding as on 31st March, 2011**

Category	2010-11				2009-10			
	No. of Share holders	% of Share holders	No. of Share held	% of Share holding	No. of Share holders	% of Share holders	No. of Share held	% of Share holding
Promoters Group	22	0.06	11366921	43.03	35	0.10	11380396	43.08
Mutual Funds//UTI	6	0.02	1634	0.01	6	0.02	1634	0.01
Banks/Financial Institutions/Ins/ Govt.	33	0.10	936562	3.54	33	0.10	936562	3.54
FIIS/FVC	6	0.02	1481194	5.61	6	0.02	1216647	4.61
Bodies Corporates	645	1.88	2094573	7.93	781	2.30	2363298	8.95
Individuals	33420	97.47	8429132	31.91	32930	97.07	8412515	31.84
Others	154	0.45	306340	1.16	133	0.39	305304	1.16
GDRs	1	0.00	1799455	6.81	1	0.00	1799455	6.81
Total	34287	100.00	26415811	100.00	33925	100.00	26415811	100.00

➤ **Distribution of Shareholding as on 31st March, 2011**

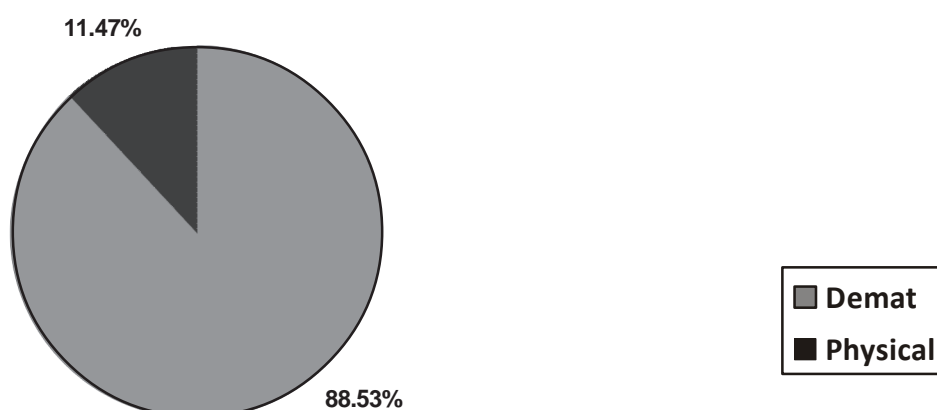
Range	No. of Shareholders	Number of Shares
1 - 500	32081	2358298
501 - 1000	1126	952953
1001 - 5000	870	2037206
5001 - 10000	98	752458
10001 & above	112	20314896
Total	34287	26415811

➤ **Dematerialization of Shares and Liquidity as on 31st March, 2011**

The shares of the Company are compulsorily traded in dematerialized form. In order to facilitate the members to dematerialize the shares, the Company has an agreement with NSDL and CDSL. The summarized position of members in physical and Demat segment as on 31st March, 2011 is as under:

Type of shareholding	No. of Shares	Percentage of Shareholding
Physical	3029444	11.47
Demat – NSDL	21317911	80.70
Demat – CDSL	2068456	7.83
Total	26415811	100

Physical vis-à-vis Demat shareholding as on 31.03.2011



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

As on 31st March, 2011, there are 1,799,455 outstanding GDRs each representing one equity share of the Company.



➤ **Address for correspondence / enquiry**

Usha Martin Education & Solutions Limited
2A, Shakespeare Sarani,
Kolkata – 700 071
Phone: 033-39800300, Fax: 033-39800400
E-mail: investors@umitl.co.in, contact@umitl.co.in

DECLARATION

As provided under Clause 49 of the Equity Listing Agreement with Stock Exchanges, it is hereby declared that all the Board Members and Senior Executives of the Management of the Company have affirmed the compliance of Code of Conduct for the year ended 31st March 2011.

Place: Kolkata
Date: May 11, 2011

Debjit Bhattacharya
Whole-time Director

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

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

CEO & CFO Certification

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

To,

The Board of Directors,

Usha Martin Education & Solutions Limited

In pursuance to the Clause 49 of the Equity Listing Agreement with the various Stock Exchanges, I hereby certify as under with regard to the Annual Audited Accounts of the Company for the financial year ended 31st March, 2011, including the Schedules and notes forming part thereof, as well as the Cash Flow Statement for the financial year ended as on that date:

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

Place: Kolkata
Date: May 11, 2011

Debjit Bhattacharya
Whole-time Director



Auditors' Certificate on compliance of conditions of Corporate Governance.

To the Members

Usha Martin Education & Solutions Limited

We have reviewed the compliance of conditions of Corporate Governance by Usha Martin Education & Solutions Limited, for the year ended March 31, 2011, as stipulated in Clause 49 of the Equity Listing Agreement of the said Company with Stock Exchange(s) in India.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreements; through the Company's established risk assessment and minimization procedures (together with internal control system for financial reporting) are in the process of being formalized / updated.

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

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

Date : May 11, 2011
Place : Kolkata

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

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

AUDITORS' REPORT TO THE MEMBERS

1. We have audited the attached Balance Sheet of **USHA MARTIN EDUCATION & SOLUTIONS LIMITED** as at 31st March, 2011, the Profit & Loss Account and also the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes (a) examining, on a test basis, evidence to support the financial statement amounts and disclosures in the financial statement; (b) assessing the accounting principles used in the preparation of financial statements; (c) assessing significant estimates made by the management in the preparation of the financial statements and (d) evaluating overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of Sec.227(4A) of the Companies Act, 1956, we have given in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order

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

- a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
- b) In our opinion, proper books of accounts as required by law, have been kept by the Company so far as appears from our examination of the books of the Company;
- c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of Accounts;
- d) In our opinion, the Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub section 3C of Section 211 of the Companies Act, 1956;
- e) On the basis of written representations received from the directors as on 31st March, 2011, and taken on record by the Board of Directors, in our opinion, none of the directors is disqualified as on 31st March, 2011 from being appointed as director u/s 274(1)(g) of Companies Act, 1956;
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes on thereon and attached thereto, give a true and fair view in conformity with accounting principles generally accepted in India:
 - (i) in the case of Balance Sheet of the state of affairs of the Company as at 31st March, 2011;
 - (ii) in the case of Profit & Loss Account of the Profit for the year ended on that date; and
 - (iii) in case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

Date : May 11, 2011
Place : Kolkata

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

ANNEXURE TO THE AUDITORS' REPORT

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

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

- (i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets were physically verified by the management during the year. As informed no material discrepancies were noticed on such verification.
- (c) Since there was no disposal of fixed assets during the year, the same has not affected the company as a going concern.
- (ii) The nature of company's activities during the year have been such that clause 4(ii) of the Order is not applicable.
- (iii) As the company has neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under sec.301 of the Companies Act, 1956 so clause 4(iii) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, it appears that there are adequate internal control procedures commensurate with the size of the company and nature of its business for the purchase of fixed assets and for the sale of services. In our opinion there is no continuing failure to correct major weaknesses in internal control system.
- (v) According to the information and explanations provided by the management, the company has entered therein the contracts or arrangements that need to be entered into the register maintained u/s.301 of the Companies Act, 1956. All such transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The company has not accepted any deposits from the public.
- (vii) The company has an internal audit system commensurate with its size and nature of its business.
- (viii) The clause relating to maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 is not applicable to the company.
- (ix) (a) As per records produced before us, the company is generally regular in depositing undisputed statutory dues like Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and Statutory dues to the extent applicable to it with the appropriate authorities and there were no arrears of such dues at the year end which have remained outstanding for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no disputed dues of Income-Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty or Cess to the extent applicable to it.
- (x) The Company does not have any accumulated loss as at 31st March, 2011 and has neither incurred cash losses in the financial year under report nor in the financial year immediately preceding such financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management the company has not defaulted in the repayment of dues to any financial institution or banks. No debentures have been issued by the company and as such the question of default on the same does not arise.
- (xii) According to the information and explanations given to us and based on the documents and records produced, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

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

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

Place : Kolkata

Date : May 11, 2011

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

Balance Sheet as at 31st March, 2011

	SCHEDULE	As at 31st March, 2011 (₹)	As at 31st March, 2010 (₹)
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	A	26,415,811	132,079,055
Reserves and Surplus	B	<u>180,585,997</u>	<u>445,621,126</u>
		207,001,808	577,700,181
	Total	<u>207,001,808</u>	<u>577,700,181</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	C	56,785,038	33,047,545
Less : Depreciation		<u>16,062,915</u>	<u>8,755,435</u>
Net Block		40,722,123	24,292,110
Investments	D	160,500,000	544,980,700
Current Assets, Loans and Advances			
Sundry Debtors	E	14,318,644	3,512,505
Cash and Bank Balances	F	1,943,189	6,680,920
Other Current Assets	G	7,908,606	8,410,310
Loans and Advances	H	<u>8,873,004</u>	<u>4,369,378</u>
		33,043,443	22,973,113
Less : Current Liabilities and Provisions			
Current Liabilities	I	20,493,465	12,011,842
Provisions		<u>6,770,293</u>	<u>2,533,900</u>
		27,263,758	14,545,742
Net Current Assets		5,779,685	8,427,371
	Total	<u>207,001,808</u>	<u>577,700,181</u>
Notes on Accounts and Significant Accounting Policies			
	O		

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

(S.S. Gupta)

Proprietor

Membership No. 17897

For and on behalf of

S.SWARUP & CO.

Chartered Accountants

Firm Registration No. 310089E

Place : Kolkata

Dated : 11th May, 2011

The Schedules referred to above form an integral part of the Balance Sheet

On behalf of the Board

Prashant Jhawar

Chairman

Debjit Bhattacharya

Whole-time Director

R. N. Chakraborty

Company Secretary

Profit and Loss Account for the Year Ended 31st March, 2011

	SCHEDULE	Year ended 31st March, 2011 (₹)	Year ended 31st March, 2010 (₹)
INCOME			
Revenue from Operations	J	133,932,620	77,798,589
Other Income	K	2,470,080	1,695,389
		<u>136,402,700</u>	<u>79,493,978</u>
EXPENDITURE			
Employee Costs	L	42,342,528	18,840,839
Operating and Administrative Expenses	M	66,530,346	44,217,834
		<u>108,872,874</u>	<u>63,058,673</u>
Profit /(Loss) before Interest, Depreciation and Taxation		27,529,826	16,435,305
Interest	N	605,019	-
Depreciation		7,307,480	4,216,654
		<u>7,912,499</u>	<u>4,216,654</u>
Profit /(Loss) before Taxation		19,617,327	12,218,651
Provision for Tax			
For current year		3,910,000	2,076,560
Profit /(Loss) after Taxation		15,707,327	10,142,091
- Balance carried to Balance Sheet			
Basic and Diluted Earnings/(Loss) per share (Refer Note 9 on Schedule O)		0.59	0.38

Notes on Accounts and Significant Accounting Policies O

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

The Schedules referred to above form an integral part of Profit & Loss Account

(S.S. Gupta)

Proprietor
Membership No. 17897

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

Place : Kolkata
Dated : 11th May, 2011

On behalf of the Board

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

Schedules annexed to and forming part of the Balance Sheet

		As at 31st March, 2011 (₹)	As at 31st March, 2010 (₹)
SCHEDULE - A			
Share Capital			
Authorised			
200,000,000	Equity Shares of Rs 1/- each (Previous year 40,000,000 Equity Shares of Rs 5/- each)	200,000,000	200,000,000
1,000,000	10.75% Cumulative Redeemable preference Shares of Rs 50/- each	<u>50,000,000</u>	<u>50,000,000</u>
		<u>250,000,000</u>	<u>250,000,000</u>
Issued, Subscribed and Paid-up			
26,415,811	Equity Shares of Rs 1/- (Previous year Rs 5/-) each	26,415,811	132,079,055
		<u>26,415,811</u>	<u>132,079,055</u>

Note :

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

SCHEDULE - B

Reserves and Surplus

Securities Premium Account			
As per last account	230,862,705		
Less : Utilised for reduction in value of investments	<u>230,742,456</u>	120,249	230,862,705
Capital Redemption Reserve			
As per last account	50,000,000		
Less : Utilised for reduction in value of investments	<u>50,000,000</u>	—	50,000,000
General Reserve			
As per last Balance Sheet	164,758,421	154,616,330	
Add: Transferred from Profit & Loss Account [Credit Balance]	<u>15,707,327</u>	<u>10,142,091</u>	164,758,421
		<u>180,585,997</u>	<u>445,621,126</u>

Schedules annexed to and forming part of the Balance Sheet (Contd.)

SCHEDULE - C

Fixed Assets [Refer Notes 1 (b) on Schedule O]

(Figs. in ₹)

	GROSS BLOCK				DEPRECIATION			NET BLOCK	
Description	Cost as on 1st April 2010	Additions during the year	Sales / adjustments during the year	Cost as on 31st March 2011	As on 1st April 2010	For the year	Total as on 31st March 2011	As on 31st March 2011	As on 31st March 2010
Building	-	10,505,757	-	10,505,757	-	75,014	75,014	10,430,743	-
Plant and Machinery	12,812,670	12,112,944	-	24,925,614	6,734,137	5,780,965	12,515,102	12,410,512	6,078,533
Office Equipment	2,696,698	1,222,882	-	3,919,580	259,568	135,992	395,560	3,524,020	2,437,130
Furniture and Fixture	11,446,770	4,025,118	-	15,471,888	1,173,093	1,182,315	2,355,408	13,116,480	10,273,677
Vehicles	824,998	1,137,201	-	1,962,199	588,637	133,194	721,831	1,240,368	236,361
Sub-Total	27,781,136	29,003,902	-	56,785,038	8,755,435	7,307,480	16,062,915	40,722,123	19,025,701
Building under construction #	5,266,409	-	5,266,409	-	-	-	-	-	5,266,409
Total	33,047,545	29,003,902	5,266,409	56,785,038	8,755,435	7,307,480	16,062,915	40,722,123	24,292,110
Previous Year	18,498,986	14,548,559	-	33,047,545	4,538,781	4,216,654	8,755,435	24,292,110	

Capitalized during the year

Schedules annexed to and forming part of the Balance Sheet (Contd.)

	As at 31st March, 2011 (₹)	As at 31st March, 2010 (₹)
SCHEDULE - D		
Investments		
(Trade, Long Term, Unquoted)		
In Shares of Companies		
(Refer Note 3 & 4 on Schedule O)		
9,396,097 Ordinary Shares of US \$ 0.50 each fully paid-up in Usha Communications Technology Limited, British Virgin Islands.	55,000,000	200,182,000
528,974 Equity Shares of Rs. 10 each fully paid-up in Bonsai Network India Private Limited (Formerly, UshaComm India Private Limited)	100,000,000	341,223,700
990,000 Equity Shares of Rs 10 each fully paid-up in eSamsung UMIT Infotech Limited	—	46,935,900
550,000 Equity Shares of Rs 10 each fully paid-up in Usha Martin Education Private Limited	5,500,000	3,575,000
[357,500 Previous year]	<u>160,500,000</u>	<u>591,916,600</u>
Less : Provision for Diminution in value of Investment	—	46,935,900
	<u>160,500,000</u>	<u>544,980,700</u>

SCHEDULE - E
Sundry Debtors
Unsecured

Exceeding six months -	—	415,611
Considered Doubtful	—	415,611

Others -

Considered Good	14,318,644	3,512,505
	<u>14,318,644</u>	<u>3,928,116</u>

Less: Provision for Doubtful Debts	—	415,611
	<u>14,318,644</u>	<u>3,512,505</u>

Schedules annexed to and forming part of the Balance Sheet (Contd.)

	As at 31st March, 2011 (₹)		As at 31st March, 2010 (₹)	
SCHEDULE - F				
Cash and Bank Balances				
Cash in hand		84,614		31,691
Balances with Scheduled Banks on				
Current Accounts	1,358,575		4,688,241	
Fixed Deposit Account	500,000	1,858,575	1,960,988	6,649,229
[with IDBI Bank Ltd for availing working capital facility (Previous year : Nil)]		<u>1,943,189</u>		<u>6,680,920</u>
SCHEDULE - G				
Other Current Assets				
(Unsecured, Considered Good)				
Interest Receivable		8,363		—
Security Deposits		5,893,935		5,752,935
Others		2,006,308		2,657,375
		<u>7,908,606</u>		<u>8,410,310</u>
SCHEDULE - H				
Loans and Advances				
(Unsecured, Considered Good)				
Recoverable in cash or in kind or for value to be received		1,290,521		751,467
Advance Payment of Taxes		7,582,483		3,617,911
		<u>8,873,004</u>		<u>4,369,378</u>
SCHEDULE - I				
Current Liabilities and Provisions				
Current Liabilities				
Sundry Creditors	11,339,971		6,699,027	
(Other than Small Scale Undertakings)				
Other Liabilities	<u>9,153,494</u>	20,493,465	<u>5,312,815</u>	12,011,842
Provisions				
Retirement Benefits [Refer Note 1 (g)(ii) on Schedule O]	628,961		302,568	
Provision for Fringe Benefit Tax	154,772		154,772	
Provision for Tax	<u>5,986,560</u>	<u>6,770,293</u>	<u>2,076,560</u>	<u>2,533,900</u>
		<u>27,263,758</u>		<u>14,545,742</u>

Schedules annexed to and forming part of the Profit and Loss Account

	Year ended 31st March, 2011 (₹)	Year ended 31st March, 2010 (₹)
SCHEDULE - J		
Revenue from operations		
Income from Learning Business (Tax deducted at Source Rs. 10,69,314/-, Previous Year Rs. 15,19,396/-)	121,334,922	73,289,919
Income from Consultancy (Tax deducted at Source Rs. 21,51,249/-, Previous Year Rs. 501,313/-)	12,597,698	4,508,670
	<u>133,932,620</u>	<u>77,798,589</u>
SCHEDULE - K		
Other Income		
Interest Income		
On Fixed Deposit with Bank (Gross)	36,511	494,086
(Tax deducted at Source Rs. 2289/-; Previous Year Rs. 80,867/-)		
On Others	<u>—</u>	<u>48,926</u>
	36,511	543,012
Sundry Balances written-back	1,854,011	755,646
Provision no longer required written back (Note 3 on Schedule O)	49,500	—
Income from Dividend	528,974	396,731
Miscellaneous Receipts	1,084	—
	<u>2,470,080</u>	<u>1,695,389</u>
SCHEDULE - L		
Employee Costs		
Salary and Allowances	39,254,261	16,693,165
Wholetime Director's Remuneration	1,222,917	1,200,000
Contribution to Provident and Other Funds	1,680,595	851,359
Gratuity	184,755	96,315
	<u>42,342,528</u>	<u>18,840,839</u>

Schedules annexed to and forming part of the Profit and Loss Account (Contd.)

	Year ended 31st March, 2011 (₹)	Year ended 31st March, 2010 (₹)
SCHEDULE - M		
Operating and Administrative Expenses		
Rent	6,339,221	7,383,435
Consultancy	12,142,713	8,195,115
Marketing	16,970,166	12,606,509
Power & Fuel	3,079,561	762,150
Travelling & Conveyance	3,527,052	1,228,427
Legal and Secretarial	1,287,404	1,025,163
Insurance	175,791	21,183
Lease Rent	300,000	--
Repairs and Maintenance	5,801,730	3,567,791
Printing and Stationery	1,189,176	677,233
Postage and Communication	1,733,138	1,563,196
Brokerage / Commission	465,000	120,000
Registration and Courseware	1,937,214	688,460
Rates and Taxes	8,259,494	5,150,171
Loan Processing Charges	60,665	--
Directors' Meeting Fee [Note 9 (b) on Schedule O)]	100,000	76,000
Auditors' Remuneration		
Audit Fees	60,000	50,000
Tax Audit Fees	15,000	10,000
Staff Welfare	421,907	159,998
Bus Hire Charges	852,120	314,141
Foreign Exchange Loss	42,633	--
Advance / Sundry balance written off	67,917	--
Provision for Doubtful Debt Written off.	415,611	--
Less : Reserve	415,611	--
Loss on Sale of Investments	46,886,400	--
Less : Adjusted against Provision for Diminution in value of Investments	46,886,400	--
Miscellaneous Expenses	1,702,444	618,862
	<u>66,530,346</u>	<u>44,217,834</u>

SCHEDULE - N

Interest

On Bank	35,064	--
On others	569,955	--
	<u>605,019</u>	<u>--</u>

SCHEDULE O : Notes on Accounts for the year ended 31st March, 2011

1. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation of Financial Statement

The financial statements of the Company are prepared on accrual basis and under historical cost convention.

b) Fixed Assets and Depreciation

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

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

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

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

c) Investments

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

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

d) Revenue Recognition

Revenue from software services and consultancy is recognized as follows:

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

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

e) Foreign Currency Transactions

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

f) Leases

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

g) Employee Benefits

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

SCHEDULE O : Notes on Accounts (Contd.)

h) Taxation

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

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

i) Borrowing Cost

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

j) Contingencies

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

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

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

2) Note on Diminution in value of Investment and consequent reduction in Capital:

Pursuant to the Special Resolution passed at the Extra-ordinary General Meeting held on 23rd December, 2009, for utilization of Securities Premium Account, Capital Redemption Reserve and Equity Share Capital for diminishing the value of Investments, its subsequent approval by the Hon'ble High Court at Calcutta vide its order dated 6th April, 2010 and issue of fresh certificate of Registration on 4th May, 2010 by the Registrar of Companies West Bengal, the issued, Subscribed and paid up Equity Share Capital stands reduced and value of Investments as on 31st March, 2011 stands revised accordingly.

- 3) In the year 2002 the Company had made an investment of ₹46,935,900 consisting of 990,000 Equity Shares of ₹10 each in eSamsung UMIT Infotech Limited. Since eSamsung UMIT Infotech Limited did not perform as per Company' expectations and the management was of the opinion that no sum was recoverable from eSamsung UMIT Infotech Limited, the Company had fully provided for diminution in the value of investment in the year 2003. During the year as per agreement with the buyer, the said Investment has been sold at ₹ 49,500. The resulting loss has been adjusted with the Provision existing in the Accounts and the excess Provision of ₹ 49,500 has been written back during the year.
- 4) During the year the Company has obtained working capital facility (Overdraft) of ₹ 50 lacs from IDBI Bank Ltd, secured by first charge by way of hypothecation of all the current assets, both present and future, of the Company. The above loan is also collaterally secured by first charge by way of hypothecation of movable fixed assets of the Company. As on 31st March, 2011 there was no outstanding balance on the working capital facility as provided by IDBI Bank Ltd.
- 5) Power and Fuel expenses of ₹ 3,079,561 includes ₹ 157,908 relating to earlier year.

SCHEDULE O : Notes on Accounts (Contd.)
6) Foreign Currency Earnings & Outgo:
a) Expenditure in foreign currency:

	2010-11(₹)	2009-10 (₹)
Listing Fees	165,294	172,452

b) Earnings in foreign currency:

	2010-11(₹)	2009-10 (₹)
Income from Research report on Education	69,73,000	—

7) Related Party Disclosures Pursuant to Accounting Standard 18 issued by The Institute of Chartered Accountants of India.
(i) Related Parties
Name
Relationship

Usha Breco Realty Limited,

Substantial interest in voting power of the entity.

Usha Martin Limited.

- do -

Usha Martin Education Pvt. Limited.

- do -

Usha Breco Limited

- do -

eSamsung UMIT Infotech Limited

- do -

Bonsai Network India Private Limited.

- do-

Debjit Bhattacharya (Whole-time Director)

Key Managerial Personnel

ii) Particulars of Transactions during the year ended 31st March, 2011

Particulars (excluding Reimbursement)	Subsidiaries and Associates (₹)	Key Management Personnel (₹)
Rent [including lease rent]	6,60,000 3,00,000	— —
Directors' Remuneration	— —	1,222,918 1,200,000
Income from Consultancy	68,00,000 45,08,670	— —
Investment in Usha Martin Education Pvt. Ltd.	19,25,000 35,75,000	— —
Balances outstanding at the year-end		
Usha Martin Ltd. - Lease Rent	300,000 —	— —
Investments in Equity and Preference Shares	Refer Schedule D to Accounts - do -	

Figures in normal font relate to previous year

SCHEDULE O : Notes on Accounts (Contd.)

8) The Segment Information for the year ended 31st March, 2011

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

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

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

II Segment Revenues, Results and Other Information

(Amount in ₹)

Particulars	Software & Consultancy	Learning	Total
Revenue from Operations	12,597,698 4,508,670	121,334,922 73,289,919	133,932,620 77,798,589
Other Income	2,125,213 818,368	344,867 334,008	2,470,080 1,152,376
Segment Revenues	14,722,911 5,327,038	121,679,789 73,623,927	136,402,700 78,950,965
Segment Results [Profit/(Loss) before interest, taxation and un-allocable expenditure]	7,930,960 5,097,576	15,018,514 10,398,629	22,949,474 15,496,205
Segment Assets	2,681,667 3,462,772	70,583,898 41,841,463	73,265,565 45,304,235
Segment Liabilities	6,616,354 4,188,681	20,647,404 10,357,061	27,263,758 14,545,742
Capital Expenditure	— —	29,003,902 14,548,559	29,003,902 14,548,559
Depreciation	202,263 97,129	7,105,217 4,119,525	7,307,480 4,216,654

III Reconciliation of Reportable Segments with the Financial Statements

(Amount in ₹)

Particulars	Revenues	Results	Assets	Liabilities*
Total of Reportable Segments	136,366,189 78,950,965	22,949,474 15,496,205	73,265,565 45,304,235	27,263,758 14,545,742
Corporate – Unallocated (Net)	- -	(2,763,639) (3,820,566)	161,000,000 546,941,688	- -
Interest Expense	- -	(605,019) -	- -	- -
Interest Income	36,511 543,012	36,511 543,012	- -	- -
As per Financial Statements	136,402,700 79,493,977	19,617,327 @ 12,218,651 @	234,265,565 592,245,923	27,263,758 14,545,742

Figures in normal font relate to previous year

* Excluding Shareholders' Funds

@ Profit before taxation.

SCHEDULE O : Notes on Accounts (Contd.)
IV Secondary Segment Reporting (by Geographical Segments)

(Amount in ₹)

	Domestic	Exports	Total
Revenues from operation	126,959,620	6,973,000	133,932,620
Total Assets	232,473,198	1,792,367	234,265,565
Capital Expenditure	29,003,902	-	29,003,902

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

	For the year ended 31st March,2011	For the year ended 31st March,2010
(I) Basic		
(a) (i) Number of Equity Shares at the beginning of the year	26,415,811	26,415,811
(ii) Number of Equity Shares at the end of the year	26,415,811	26,415,811
(iii) Weighted average number of Equity Shares outstanding during the year	26,415,811	26,415,811
(iv) Face Value of each Equity Share- ₹	1	5
(b) Profit/(Loss) after tax attributable to Equity Shareholders- ₹ Net Profit/(Loss) after Taxation	15,707,327	10,142,091
Basic Earning per Share [(b)/(a)(iii)]- ₹	0.59	0.38
(II) Diluted		
(a) Diluted Potential Equity Shares	-	-
(b) Diluted Earning per Share [I(b)/I(a)(iii)]- ₹	0.59	0.38

10) Minimum Managerial Remuneration paid/payable

	2010-11 (₹)	2009-10 (₹)
(a) Wholetime Director's Remuneration:		
Salary	403,563	396,000
Contribution to Provident Fund	48,428	47,520
Contribution to Gratuity and Superannuation	19,412	19,048
Other Benefits (actual and/or estimated)	751,515	737,432
	1,222,918	1,200,000
(b) Other Directors		
Directors' Sitting Fees	100,000	76,000
	1,322,918	1,276,000

SCHEDULE O : Notes on Accounts (Contd.)

- 11) The Company has unabsorbed depreciation and carried forward losses available for set off under the Income- tax Act, 1961. However, in view of inability to assess future taxable income, the extent of net deferred tax assets which may be adjusted in the subsequent years, is not ascertainable with virtual certainty at this stage and accordingly the same has not been recognized in the accounts on prudent basis.
- 12) The Company has no amounts due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) as at 31.03.2011. The disclosure as required under the said Act as under:

a) Principal amount due to suppliers under MSMED Act	Nil
b) Interest due to suppliers as above	Nil
c) Any payment made to suppliers beyond appointed date (under Section 16 of the Act)	Nil
d) Interest due and payable to suppliers under MSMED Act	Nil
e) Interest accrued and remaining unpaid as at 31.03.2011	Nil
f) Interest remaining due and payable as per Section 23 of the Act	Nil

- 13) Defined Benefit Plans / Long Term Compensated Absences – as per Actuarial Valuations as on March 31, 2011 and recognized in the financial statements in respect of Employee Benefit Schemes.

(Amount in ₹)

I. Components Employer Expenses	Gratuity (Funded)	Leave Encashment (Unfunded)
1 Current Service Cost	259,157 151,987	130,091 8,167
2 Interest Cost	21,728 15,700	12,786 11,806
3 Expected Return on Plan Assets	(24,892) (11,738)	— —
4 Curtailment Cost / (Credit)	— —	— —
5 Settlement Cost / (Credit)	— —	— —
6 Past Service Cost	— —	— —
7 Actuarial Losses / (Gains)	(71,238) (59,634)	26,831 (15,608)
8 Total expense recognized in the Statement of Profit & Loss Account	184,755 96,315	169,708 4,365
The Gratuity Expenses have been separately recognized and Leave Encashment in "Salaries and Allowances" under Schedule L.		

SCHEDULE O : Notes on Accounts (Contd.)

(Amount in ₹)

	Gratuity (Funded)	Leave Encashment (Unfunded)
II Actuarial Returns for the period ended March, 2011	-	-
III Net Asset / (Liability) recognized in Balance Sheet as at March 31, 2011		
1 Present Value of Defined Benefit Obligation	473,011 263,364	296,625 154,987
2 Fair Value on Plan Assets	336,038 311,146	— —
3 Status [Surplus/(Deficit)]	(136,973) 47,782	(296,625) (154,987)
4 Unrecognised Past Service Cost	— —	— —
5 Net Asset/(Liability) recognized in Balance Sheet	(136,973) 47,782	(296,625) (154,987)
IV Change in Defined Benefit Obligations (DBO) during the year ended March 31, 2011		
1 Present Value of DBO at the Beginning of Period	263,364 155,311	154,987 159,850
2 Current Service Cost	259,157 151,987	130,091 8,167
3 Interest Cost	21,728 15,700	12,786 11,806
4 Curtailment Cost / (Credit)	— —	— —
5 Settlement Cost / (Credit)	— —	— —
6 Plan Amendments	— —	— —
7 Acquisitions	— —	— —
8 Actuarial (Gains)/Losses	(71,238) (59,634)	26,831 (15,608)
9 Benefits Paid	— —	(28,070) (9,288)
10 Present Value of DBO at the End of Period	473,011 263,364	296,625 154,987

SCHEDULE O : Notes on Accounts (Contd.)

(Amount in ₹)

	Gratuity Funded	Leave Encashment Unfunded
V Change in Fair Value of Assets during the year ended March 31, 2011		
1 Plan Assets at the Beginning of Period	311,146 —	— —
2 Acquisition Adjustment	— —	— —
3 Expected Return on Plan Assets	24,892 11,738	— —
4 Actuarial Gains/(Losses)	— —	— —
5 Actual Company Contribution	— 299,408	28,070 9,228
6 Benefits Paid	— —	(28,070) (9,228)
7 Present Value of DBO at the End of Period	336,038 311,146	— —

VI Actuarial Assumptions			
	1. Discount Rate (%)	8.25%	8.25%
	2. Expected Return on Plan Assets (%)	8.00%	—
The estimates of future salary increases, considered in actuarial valuations take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.			

Figures in normal font relate to previous year

SCHEDULE O : Notes on Accounts (Contd.)

- 14) As required by AS – 29, on 'Provisions, Contingent Liabilities and Contingent Assets' the movement of provisions existing in the financial statements as on 31st March, 2011 are as under :

(Amount in ₹)

Particulars	Opening as at 1st April, 2010	Movements During the Year	Closing as at 31st March, 2011
Provision for Contingencies	—	—	—
	—	—	—
Provision for diminution in the Value of Investments	46,935,900	(46,935,900)	—
	46,935,900	—	46,935,900
Provision for Doubtful Debts	415,611	(415,611)	—
	415,611	—	415,611

Figures in normal font relate to previous year

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

(S.S. Gupta)

Proprietor

Membership No. 17897

For and on behalf of

S.SWARUP & CO.

Chartered Accountants

Firm Registration No. 310089E

Place : Kolkata

Dated : 11th May, 2011

On behalf of the Board

Prashant Jhavar

Chairman

Debjit Bhattacharya

Whole-time Director

R. N. Chakraborty

Company Secretary

Cash Flow Statement for the Year Ended 31st March, 2011

	Year ended 31st March, 2011 (₹)		Year ended 31st March, 2010 (₹)	
A. Cash flow from Operating Activities :				
Profit before Taxation		19,617,327		12,218,651
Adjustments for :				
Depreciation	7,307,480		4,216,654	
Interest Income	(36,511)		(543,012)	
Dividend Income	(528,974)		(396,731)	
Interest Paid	605,019		-	
Sundry balances written back	(1,854,011)		(755,646)	
Provision written back	(49,500)		-	
Provision for Gratuity	209,647		96,315	
Provision for Leave Encashment	169,708		4,365	
Deposits/ Advances written off	67,917		98	
Unrealised Foreign Exchange Loss	42,633	5,933,408	-	2,622,043
Operating profit before working capital changes		25,550,735		14,840,694
(Increase)/Decrease of Trade and other receivables	(14,125,896)		(4,343,891)	
Increase/(Decrease) of Current Liabilities and Other Provisions	10,289,539	(3,836,357)	2,933,558	(1,410,333)
Cash generated from operations		21,714,378		13,430,361
Direct taxes (paid)/refund (Net)		(741,720)		267,492
Net Cash Flow from Operating Activities		20,972,658		13,697,853

Cash Flow Statement for the Year Ended 31st March, 2011 (Contd.)

	Year ended 31st March, 2011 (₹)	Year ended 31st March, 2010 (₹)
B. Cash flow from Investing Activities :		
Purchase of Fixed Assets and Refund of Capital Advances	(23,737,492)	(14,548,559)
Purchase of Investments	(1,925,000)	(3,575,000)
Interest received	28,148	586,542
Dividend Received	528,974	396,731
Net cash used in Investing Activities	(25,105,370)	(17,140,286)
C. Cash flow from Financing Activities :		
Interest Paid	(605,019)	—
Net Cash used in Financing Activities	(605,019)	—
Net increase in cash and cash equivalents during the year (A+B+C)	(4,737,731)	3,442,433
Cash and Cash Equivalents at the beginning of the year [Refer Schedule F to Accounts]	6,680,920	10,123,353
Cash and Cash Equivalents at the end of the year Refer Schedule F to Accounts]	1,943,189	6,680,920

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

This is the Cash Flow Statement referred to in our report of even date.

(S.S. Gupta)

Proprietor

Membership No. 17897

For and on behalf of

S.SWARUP & CO.

Chartered Accountants

Firm Registration No. 310089E

Place : Kolkata

Dated : 11th May, 2011

On behalf of the Board

Prashant Jhawar

Chairman

Debjit Bhattacharya

Whole-time Director

R. N. Chakraborty

Company Secretary

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. State Code : Balance Sheet Date
Date Month Year

II. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue

Rights Issue

Bonus Issue

Private Placement

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities

Total Assets

Sources of Funds

Paid-up Capital

Reserves & Surplus

Secured Loans

Unsecured Loans

Application of Funds

Net Fixed Assets

Investments

Net Current Assets

Misc. Expenditure

Accumulated Losses

IV. Performance of the Company (Amount in Rs. Thousands)

Turnover (including other & non-recurring income)

Total Expenditure

Profit before Tax

Profit after Tax

Earning per Share in Rs.

Dividend rate %

V. Generic names of three Principal Products/Services of the Company (as per monetary terms)

Item Code No.

(ITC Code)

Product Description

Place : Kolkata

Dated : 11th May, 2011

Prashant Jhawar

Chairman

Debjit Bhattacharya

Whole-time Director

R. N. Chakraborty

Company Secretary

Statement giving financial information of Subsidiary Companies for the year ended 31st March, 2011 as required in the approval letter received from the Ministry of Corporate Affairs, New Delhi, under Section 212(8) of the companies Act, 1956

SI No.	Particulars	Usha Martin Education Pvt. Ltd.
1.	Share Capital	5,500,010
2.	Reserve & Surplus	242,627
3.	Liabilities	2,458,387
4.	Total Liabilities	8,201,024
5.	Total Assets	8,201,024
6.	Investments - Long Term (excluding investments in subsidiaries)	Nil
7.	Turnover (Net)	21,000,000
8.	Profit / (Loss) before Taxation	303,587
9.	Provision for Taxation	60,960
10.	Profit / (Loss) after Taxation	242,627
11.	Paid / Proposed Dividend	Nil
Currency of the subsidiary		INR

On behalf of the Board of Directors

Place : Kolkata
Dated : 11th May, 2011

Prashant Jhawar Chairman
Debjit Bhattacharya Whole-time Director

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

1. We have examined the attached consolidated Balance Sheet of **USHA MARTIN EDUCATION & SOLUTIONS LIMITED** and its subsidiary as at 31st March, 2011, the consolidated Profit & Loss Account for the year ended 31st March 2011 and also the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes
 - (a) examining, on a test basis, evidence to support the financial statement amounts and disclosures in the financial statement;
 - (b) assessing the accounting principles used in the preparation of financial statements;
 - (c) assessing significant estimates made by the management in the preparation of the financial statements and
 - (d) evaluating overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets of Rs 5,742,637 as at 31st March 2011. These financial statements have been audited by other auditors whose report has been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the subsidiary, is based solely on the report of the other auditor.
4. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirement of Accounting Standard (AS) 21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of **USHA MARTIN EDUCATION & SOLUTIONS LIMITED** and its subsidiary included in the consolidated financial statements.
5. On the basis of the information and explanation given to us and on the consideration of the separate audit reports on individual audited financial statements of **USHA MARTIN EDUCATION & SOLUTIONS LIMITED** and its aforesaid subsidiary we are of the opinion that
 - a) The Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of **USHA MARTIN EDUCATION & SOLUTIONS LIMITED** and its subsidiary as at 31st March 2011; and
 - b) The Consolidated Profit & Loss Account gives a true and fair view of the consolidated results of operation of **USHA MARTIN EDUCATION & SOLUTIONS LIMITED** and its subsidiary for the year then ended.
 - c) The consolidated cash flow statement, of the cash flows of **USHA MARTIN EDUCATION & SOLUTIONS LIMITED** and its subsidiary for the year ended on that date.

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

Place : Kolkata
Date : May 11, 2011

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

Consolidated Balance Sheet as at 31st March, 2011

SCHEDULES		As at 31st March, 2011 (₹)	As at 31st March, 2010 (₹)
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	A	26,415,811	132,079,055
Reserves and Surplus	B	<u>180,828,625</u>	<u>445,621,126</u>
		207,244,436	577,700,181
	Total	<u><u>207,244,436</u></u>	<u><u>577,700,181</u></u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	C	60,950,920	35,450,663
Less : Depreciation		<u>16,462,574</u>	<u>8,768,808</u>
Net Block		44,488,346	26,681,855
Investments	D	155,000,000	541,405,700
Current Assets, Loans and Advances			
Sundry Debtors	E	14,318,644	3,512,505
Cash and Bank Balances	F	2,094,693	7,095,662
Other Current Assets	G	7,908,607	8,410,310
Loans and Advances	H	<u>11,824,556</u>	<u>4,912,953</u>
		<u>36,146,500</u>	<u>23,931,430</u>
Less : Current Liabilities and Provisions	I		
Current Liabilities		22,890,902	13,449,585
Provisions		<u>6,831,253</u>	<u>2,533,900</u>
		<u>29,722,155</u>	<u>15,983,485</u>
Net Current Assets		6,424,345	7,947,945
Miscellaneous Expenditure (to the extent not adjusted or written off)		1,331,745	1,664,681
	Total	<u><u>207,244,436</u></u>	<u><u>577,700,181</u></u>
Notes on Accounts and Significant Accounting Policies			
	O		

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

(S.S. Gupta)

Proprietor

Membership No. 17897

For and on behalf of

S.SWARUP & CO.

Chartered Accountants

Firm Registration No. 310089E

Place : Kolkata

Dated : 11th May, 2011

The Schedules referred to above form an integral part of the Balance Sheet

On behalf of the Board

Prashant Jhawar

Chairman

Debjit Bhattacharya

Whole-time Director

R. N. Chakraborty

Company Secretary

Consolidated Profit and Loss Account for the Year Ended 31st March, 2011

SCHEDULES		Year ended 31st March, 2011 (₹)	Year ended 31st March, 2010 (₹)
INCOME			
Revenue from Operations	J	154,932,620	77,798,589
Other Income	K	2,470,080	1,695,389
		<u>157,402,700</u>	<u>79,493,978</u>
EXPENDITURE			
Employee Costs	L	44,766,993	18,840,839
Operating and Administrative Expenses	M	84,416,007	44,217,834
		<u>129,183,000</u>	<u>63,058,673</u>
Profit / (Loss) before Interest, Depreciation and Taxation		28,219,700	16,435,305
Interest	N	605,019	-
Depreciation		7,693,766	4,216,654
		<u>8,298,785</u>	<u>4,216,654</u>
Profit / (Loss) before Taxation		19,920,915	12,218,651
Provision for Tax			
For current year		3,970,960	2,076,560
Profit / (Loss) after Taxation		<u>15,949,955</u>	<u>10,142,091</u>
- Balance carried to Balance Sheet			
Basic and Diluted Earnings/(Loss) per share		0.60	0.38
(Refer Note 10 on Schedule O)			

**Notes on Accounts and Significant
Accounting Policies**

O

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

The Schedules referred to above form an integral part of
Profit & Loss Account**(S.S. Gupta)**Proprietor
Membership No. 17897For and on behalf of
S.SWARUP & CO.
Chartered Accountants
Firm Registration No. 310089EPlace : Kolkata
Dated : 11th May, 2010

On behalf of the Board

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

Schedules annexed to and forming part of the Consolidated Balance Sheet

	As at 31st March, 2011 (₹)	As at 31st March, 2010 (₹)
SCHEDULE - A		
Share Capital		
Authorised		
200,000,000 Equity Shares of Rs 1/- each (Previous year 40,000,000 Equity Shares of Rs 5/- each)	200,000,000	200,000,000
1,000,000 10.75% Cumulative Redeemable preference Shares of Rs 50/- each	50,000,000	50,000,000
	250,000,000	250,000,000
Issued, Subscribed and Paid-up		
26,415,811 Equity Shares of Rs 1/- (Previous year Rs 5/-) each	26,415,811	132,079,055
	26,415,811	132,079,055

Note :

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

SCHEDULE - B Reserves and Surplus

Securities Premium Account	230,862,705		
As per last account			
Less : Utilised for reduction in value of investments	230,742,456	120,249	230,862,705
Capital Redemption Reserve			
As per last account	50,000,000		
Less : Utilised for reduction in value of investments	50,000,000	—	50,000,000
General Reserve			
As per last Balance Sheet	164,758,421	154,616,330	
Add: Transferred from Profit & Loss Account [Credit Balance]	15,949,955	180,708,376	10,142,091
		180,828,625	445,621,126

Schedules annexed to and forming part of the Consolidated Balance Sheet (Contd.)**SCHEDULE - C**

Fixed Assets [Refer Note 2 (b) on Schedule O]

(Figs. in ₹)

	GROSS BLOCK					DEPRECIATION			NET BLOCK	
Description	Cost as on 1st April 2010	Additions during the year	Sales / adjustments during the year	Cost as on 31st March 2011	As on 1st April 2010	For the year	Total as on 31st March 2011	As on 31st March 2011	As on 31st March 2010	
Building	-	10,505,757	-	10,505,757	-	75,013	75,013	10,430,744	-	
Plant and Machinery	12,812,670	12,181,898	-	24,994,568	6,734,137	5,792,439	12,526,576	12,467,992	6,078,533	
Office Equipment	2,846,886	1,259,174	-	4,106,060	259,667	145,999	405,666	3,700,394	2,587,219	
Furniture and Fixture	13,699,700	5,682,636	-	19,382,336	1,186,367	1,547,120	2,733,487	16,648,849	12,513,333	
Vehicles	824,998	1,137,201	-	1,962,199	588,637	133,195	721,832	1,240,367	236,361	
	30,184,254	30,766,666	-	60,950,920	8,768,808	7,693,766	16,462,574	44,488,346	21,415,446	
Building under construction #	5,266,409	-	5,266,409	-	-	-	-	-	5,266,409	
	35,450,663	30,766,666	5,266,409	60,950,920	8,768,808	7,693,766	16,462,574	44,488,346	26,681,855	
Previous Year	18,498,986	16,951,677	-	35,450,663	4,538,781	4,230,027	8,768,808	26,681,855		

Capitalized during the year

**Schedules annexed to and forming part of the Consolidated Balance Sheet (Contd.)**

	As at 31st March, 2011 (₹)	As at 31st March, 2010 (₹)
SCHEDULE - D		
Investments		
(Trade, Long Term, Unquoted)		
In Shares of Companies		
(Refer Note 3 & 4 on Schedule O)		
9,396,097 Ordinary Shares of US \$ 0.50 each fully paid-up in Usha Communications Technology Limited, British Virgin Islands.	55,000,000	200,182,000
528,974 Equity Shares of Rs. 10 each fully paid-up in Bonsai Network India Private Limited (Formerly, UshaComm India Private Limited)	100,000,000	341,223,700
990,000 Equity Shares of Rs 10 each fully paid-up in eSamsung UMIT Infotech Limited	—	46,935,900
	155,000,000	588,341,600
Less : Provision for Diminution in value of Investment	—	46,935,900
	<u>155,000,000</u>	<u>541,405,700</u>
SCHEDULE - E		
Sundry Debtors		
Unsecured		
Exceeding six months - Considered Doubtful	—	415,611
	—	415,611
Others - Considered Good	14,318,644	3,512,505
	<u>14,318,644</u>	<u>3,928,116</u>
Less: Provision for Doubtful Debts	—	415,611
	<u>14,318,644</u>	<u>3,512,505</u>
SCHEDULE - F		
Cash and Bank Balances		
Cash in hand	89,322	31,691
Balances with Scheduled Banks on		
Current Accounts	1,505,371	5,102,983
Fixed Deposit Account	500,000	1,960,988
[with IDBI Bank Ltd for availing working capital facility (Previous year : Nil)]	<u>2,005,371</u>	<u>7,063,971</u>
	<u>2,094,693</u>	<u>7,095,662</u>

Schedules annexed to and forming part of the Consolidated Balance Sheet (Contd.)

	As at 31st March, 2011 (₹)	As at 31st March, 2010 (₹)
SCHEDULE - G		
Other Current Assets		
(Unsecured, Considered Good)		
Interest Receivable	8,363	—
Security Deposits	5,893,935	5,752,935
Others	2,006,309	2,657,375
	<u>7,908,607</u>	<u>8,410,310</u>
SCHEDULE - H		
Loans and Advances		
(Unsecured, Considered Good)		
Recoverable in cash or in kind or for value to be received	1,925,774	1,295,042
Advance Payment of Taxes	9,898,782	3,617,911
	<u>11,824,556</u>	<u>4,912,953</u>
SCHEDULE - I		
Current Liabilities and Provisions		
Current Liabilities		
Sundry Creditors	13,737,398	6,699,027
(Other than Small Scale Undertakings)		
Other Liabilities	<u>9,153,504</u>	<u>6,750,558</u>
	22,890,902	13,449,585
Provisions		
Retirement Benefits [Refer Note 2(g)(ii) on Schedule O]	628,961	302,568
Provision for Fringe Benefit Tax	154,772	154,772
Provision for Tax	<u>6,047,520</u>	<u>2,076,560</u>
	<u>6,831,253</u>	<u>2,533,900</u>
	<u>29,722,155</u>	<u>15,983,485</u>

Schedules annexed to and forming part of the Consolidated Profit and Loss Account

	Year ended 31st March, 2011 (₹)	Year ended 31st March, 2010 (₹)
SCHEDULE - J		
Revenue from Operations		
Income from Learning Business (Tax deducted at Source Rs.57,01,912/-, Previous Year Rs. 15,19,396/-)	142,334,922	73,289,919
Income from Consultancy (Tax deducted at Source Rs. 21,51,249/-, Previous Year Rs. 501,313/-)	12,597,698	4,508,670
	<u>154,932,620</u>	<u>77,798,589</u>
SCHEDULE - K		
Other Income		
Interest Income		
On Fixed Deposit with Bank (Gross) (Tax deducted at Source Rs.2,289/-; Previous Year Rs. 80,867/-)	36,511	494,086
On Others	<u>—</u>	<u>48,926</u>
		543,012
Liability / Sundry Balances written-back	1,854,011	755,646
Provision no longer required written back (Note 4 on Schedule O)	49,500	—
Income from Dividend	528,974	396,731
Miscellaneous Receipts	1,084	—
	<u>2,470,080</u>	<u>1,695,389</u>
SCHEDULE - L		
Employee Costs		
Salary and Allowances	41,678,726	16,693,165
Wholetime Director's Remuneration	1,222,917	1,200,000
Contribution to Provident and Other Funds	1,680,595	851,359
Gratuity	184,755	96,315
	<u>44,766,993</u>	<u>18,840,839</u>

Schedules annexed to and forming part of the Consolidated Profit and Loss Account (Contd.)

	Year ended 31st March, 2011 (₹)	Year ended 31st March, 2010 (₹)
SCHEDULE - M		
Operating and Administrative Expenses		
Rent	6,339,221	7,383,435
Consultancy	15,334,166	8,195,115
Marketing	19,068,321	12,606,509
Power & Fuel	3,917,615	762,150
Travelling & Conveyance	5,713,271	1,228,427
Facility Management Services	5,227,773	-
Co-Curricular Activities	1,120,544	-
Legal and Secretarial	1,294,654	1,025,163
Advance / Sundry balance written off	67,917	-
Insurance	175,791	21,183
Lease Rent	300,000	-
Repairs and Maintenance	6,080,086	3,567,791
Printing and Stationery	1,848,321	677,233
Postage and Communication	2,421,951	1,563,196
Brokerage / Commission	465,000	120,000
Registration and Courseware	1,937,214	688,460
Rates and Taxes	8,261,994	5,150,171
Loan Processing Charges	60,665	-
Directors' Meeting Fee [Note 11(b) on Schedule O]]	100,000	76,000
Auditors' Remuneration		
Audit Fees	75,000	50,000
Tax Audit Fees	15,000	10,000
Staff Welfare	421,907	159,998
Bus Hire Charges	852,120	314,141
Finance and Bank Charges	13,753	-
Foreign Exchange Loss	42,633	-
Provision for Doubtful Debt written-off	415,611	-
Less : Reserve	415,611	-
Loss on Sale of Investments	46,886,400	-
Less : Adjusted against Provision for Dimunution in value of Investments	46,886,400	-
Pre-Operative Expenses Written-Off	332,936	-
Miscellaneous Expenses	2,928,154	618,862
	<u>84,416,007</u>	<u>44,217,834</u>

SCHEDULE - N

Interest

On Bank	35,064	--
On others	569,955	--
	<u>605,019</u>	<u>--</u>

SCHEDULE O : Consolidated Notes on Accounts for the year ended 31st March, 2011
1 SIGNIFICANT ACCOUNTING POLICIES
Basis of Preparation

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

- 2 The financial statements of the Company are prepared on accrual basis and under historical cost convention. The significant accounting policies adopted by the Company are detailed below:

a) Consolidation

Consolidated Financial Statements relate to Usha Martin Education & Solutions Limited, Parent Company and its subsidiary. The Consolidated Financial Statements are in conformity with the Accounting Standard (AS)-21 on Consolidated Financial Statements, prescribed under the Companies Act, 1956 (the 'Act') and are prepared as set out below:

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

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

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

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

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

b) Fixed Assets and Depreciation

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

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

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

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

c) Investments

Long-term investments are valued at their acquisition cost. Any decline in the value of the said investment, other than a temporary decline, is recognized and charged to the Profit and Loss Account. Current Investments are stated at lower of cost or fair value.

SCHEDULE O : Consolidated Notes on Accounts (Contd.)**d) Revenue Recognition**

Revenue from software services and consultancy is recognized as follows:

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

e) Foreign Currency Transactions

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

f) Leases

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

g) Employee Benefits

- (i) Contribution to employees provident fund is charged to revenue on a monthly basis
- (ii) Liability for retiral, gratuity and un-availed earned leave is provided for based on an independent actuarial valuation report as per the requirements of Accounting Standard – 15 (revised) on "Employee Benefits".
- (iii) Employee benefits of short-term nature are recognized as expense as and when it accrues. Long term employee benefits (e.g. long-service leave) and post employments benefits (e.g. gratuity), both funded and unfunded, are recognized as expense based on actuarial valuation.
- (iv) No provision has been made for gratuity, pension & leave encashment in the Subsidiary Company as all the employees were employed for part of the year.

h) Taxation

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

i) Borrowing Cost

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

j) Contingencies

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

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

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

l) Miscellaneous Expenditure

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

SCHEDULE O : Consolidated Notes on Accounts (Contd.)

3) Note on Diminution in value of Investment and consequent reduction in Capital:

Pursuant to the Special Resolution passed at the Extra-ordinary General Meeting held on 23rd December, 2009, for utilization of Securities Premium Account, Capital Redemption Reserve and Equity Share Capital for diminishing the value of Investments, its subsequent approval by the Hon'ble High Court at Calcutta vide its order dated 6th April, 2010 and issue of fresh certificate of Registration on 4th May, 2010 by the Registrar of Companies West Bengal, the issued, subscribed and paid up Equity Share Capital stands reduced and value of Investments as on 31st March, 2011 stands revised accordingly.

- 4) In the year 2002 the Company had made an investment of ₹ 46,935,900 consisting of 990,000 Equity Shares of ₹10 each in eSamsung UMIT Infotech Limited. Since eSamsung UMIT Infotech Limited did not perform as per Company's expectations and the management was of the opinion that no sum was recoverable from eSamsung UMIT Infotech Limited, the Company had fully provided for diminution in the value of investment in the year 2003. During the year as per agreement with the buyer, the said Investment has been sold at ₹ 49,500. The resulting loss has been adjusted with the Provision existing in the Accounts and the excess Provision of ₹ 49,500 has been written back during the year.
- 5) During the year the Company has obtained working capital facility (Overdraft) of ₹ 50 lacs from IDBI Bank Ltd, secured by first charge by way of hypothecation of all the current assets, both present and future, of the Company. The above loan is also collaterally secured by first charge by way of hypothecation of movable fixed assets of the Company. As on 31st March, 2011 there was no outstanding balance on the working capital facility as provided by IDBI Bank Ltd.
- 6) Power and Fuel expenses of ₹ 3,917,615 includes ₹ 157,908 relating to earlier year.

7) Foreign Currency Earnings & Outgo:

a) Expenditure in foreign currency:

	2010-11 (₹)	2009-10 (₹)
Listing Fees	165,294	172,452

b) Earnings in foreign currency:

	2010-11 (₹)	2009-10 (₹)
Income from Research report on Education	69,73,000	-

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

(i) Related Parties

Name

Usha Breco Realty Limited,

Usha Martin Limited.

Usha Martin Education Pvt. Limited.

Usha Breco Limited

eSamsung UMIT InfoTech Limited

Bonsai Network India Private Limited.

Dr. Saugata Banerjee

Rahul Chaudhary

Debjit Bhattacharya (Whole-time Director)

Relationship

Substantial interest in voting power of the entity.

- do -

- do -

- do -

- do -

- do -

Key Managerial Personnel

Key Managerial Personnel

Key Managerial Personnel

SCHEDULE O : Consolidated Notes on Accounts (Contd.)

ii) Particulars of Transactions during the year ended 31st March, 2011

Particulars (excluding Reimbursement)	Subsidiaries and Associates (₹)	Key Management Personnel (₹)
Rent [including lease rent]	6,60,000 3,00,000	— —
Directors' Remuneration		1,222,918 1,200,000
Income from Consultancy	68,00,000 45,08,670	— —
Balances outstanding at the year-end		
Usha Martin Ltd.- Lease Rent	300,000 —	— —
Investments in Equity and Preference Shares	Refer Schedule D to Accounts - do-	—

Figures in normal font relate to previous year

9) The Segment Information for the year ended 31st March, 2011

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

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

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

II Segment Revenues, Results and Other Information

(Amount in ₹)

Particulars	Software & Consultancy	Learning	Total
Revenue from Operations	12,597,698 4,508,670	142,334,922 73,289,919	154,932,620 77,798,589
Other Income	2,125,213 818,368	344,867 334,008	2,470,080 1,152,376
Segment Revenues	14,722,911 5,327,038	142,679,789 73,623,927	157,402,700 78,950,965
Segment Results [Profit/(Loss) before interest, taxation and Un allocable expenditure]	7,930,960 5,097,576	15,322,101 10,398,629	23,253,061 154,596,205
Segment Assets	2,681,667 3,462,772	77,453,177 46,854,206	80,134,844 50,316,978
Segment Liabilities	6,616,354 4,188,681	23,105,801 11,794,804	29,722,155 15,983,485
Capital Expenditure	— —	30,766,666 16,951,677	30,766,666 16,951,677
Depreciation	202,263 97,129	7,491,503 4,132,898	7,693,766 4,230,027

SCHEDULE O : Consolidated Notes on Accounts (Contd.)
III Reconciliation of Reportable Segments with the Financial Statements

(Amount in ₹)

Particulars	Revenues	Results	Assets	Liabilities*
Total of Reportable Segments	157,366,189 78,950,965	23,253,061 15,496,205	80,134,844 50,316,978	29,722,155 15,983,485
Corporate – Unallocated (Net)	—	(2,763,638) (3,820,566)	155,500,000 543,366,688	—
Interest Expense	—	(605,019) —	—	—
Interest Income	36,511 543,012	36,511 543,012	—	—
As per Financial Statements	157,402,700 79,493,977	19,920,915 @ 12,218,651@	235,634,844 593,683,666	29,722,155 15,983,485

Figures in normal font relate to previous year

*Excluding Shareholders' Funds

@ Profit before taxation.

IV Secondary Segment Reporting (by Geographical Segments)

(Amount in ₹)

	Domestic	Exports	Total
Revenues from operation	147,959,620	6,973,000	154,932,620
Total Assets	233,842,477	1,792,367	235,634,844
Capital Expenditure	30,766,666	-	30,766,666

10) Computation of Earning Per Equity Share (Basic and Diluted)
**For the year ended
31st March, 2011**
**For the year ended
31st March, 2010**
(I) Basic

(a) (i) Number of Equity Shares at the beginning of the year	26,415,811	26,415,811
(ii) Number of Equity Shares at the end of the year	26,415,811	26,415,811
(iii) Weighted average number of Equity Shares outstanding during the year	26,415,811	26,415,811
(iv) Face Value of each Equity Share - ₹	1	5

 (b) Profit/(Loss) after tax attributable to Equity Shareholders - ₹
Net Profit/(Loss) after Taxation

15,949,955

10,142,091

Basic Earning per Share [(b)/(a)(iii)] - ₹

0.60

0.38

(II) Diluted

(a) Diluted Potential Equity Shares	-	-
(b) Diluted Earning per Share [(b)/I(a)(iii)] - ₹	0.60	0.38

SCHEDULE O : Consolidated Notes on Accounts (Contd.)**11) Minimum Managerial Remuneration paid/payable**

	(₹)	2010-11 (₹)	(₹)	2009-10 (₹)
(a) Whole-time Director's Remuneration:				
Salary	403,563		396,000	
Contribution to Provident Fund	48,428		47,520	
Contribution to Gratuity and Superannuation	19,412		19,048	
Other Benefits (actual and/or estimated)	<u>751,515</u>	<u>1,222,918</u>	<u>737,432</u>	1,200,000
(b) Other Directors				
Directors' Sitting Fees		100,000		76,000
		<u>1,322,918</u>		<u>1,276,000</u>

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

13) The Company has no amounts due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) as at 31.03.2011. The disclosure as required under the said Act as under:

a) Principal amount due to suppliers under MSMED Act	Nil
b) Interest due to suppliers as above	Nil
c) Any payment made to suppliers beyond appointed date (under Section 16 of the Act)	Nil
d) Interest due and payable to suppliers under MSMED Act	Nil
e) Interest accrued and remaining unpaid as at 31.03.2011	Nil
f) Interest remaining due and payable as per Section 23 of the Act	Nil

14) Defined Benefit Plans / Long Term Compensated Absences – as per Actuarial Valuations as on March 31, 2011 and recognized in the financial statements in respect of Employee Benefit Schemes. (Amount in ₹)

I. Components Employer Expenses	Gratuity (Funded)	Leave Encashment (Unfunded)
1 Current Service Cost	259,157	130,091
	151,987	8,167
2 Interest Cost	21,728	12,786
	15,700	11,806
3 Expected Return on Plan Assets	(24,892)	—
	(11,738)	—
4 Curtailment Cost / (Credit)	—	—
	—	—
5 Settlement Cost / (Credit)	—	—
	—	—
6 Past Service Cost	—	—
	—	—
7 Actuarial Losses / (Gains)	(71,238)	26,831
	(59,634)	(15,608)
8 Total expense recognized in the Statement of Profit & Loss Account	184,755	169,708
	96,315	4,365
The Gratuity Expenses have been separately recognized and Leave Encashment in "Salaries and Allowances" under Schedule L.		

SCHEDULE O : Consolidated Notes on Accounts (Contd.)

(Amount in ₹)

	Gratuity (Funded)	Leave Encashment (Unfunded)
II Actuarial Returns for the year ended March, 2011	—	—
III Net Asset / (Liability) recognized in Balance Sheet as at March 31, 2011		
1 Present Value of Defined Benefit Obligation	473,011 263,364	296,625 154,987
2 Fair Value on Plan Assets	336,038 311,146	— —
3 Status [Surplus/(Deficit)]	(136,973) 47,782	(296,625) (154,987)
4 Unrecognised Past Service Cost	— —	— —
5 Net Asset/(Liability) recognized in Balance Sheet	(136,973) 47,782	(296,625) (154,987)
IV Change in Defined Benefit Obligations (DBO) during the year ended March 31, 2011		
1 Present Value of DBO at the Beginning of Period	263,364 155,311	154,987 159,850
2 Current Service Cost	259,157 151,987	130,091 8,167
3 Interest Cost	21,728 15,700	12,786 11,806
4 Curtailment Cost / (Credit)	— —	— —
5 Settlement Cost / (Credit)	— —	— —
6 Plan Amendments	— —	— —
7 Acquisitions	— —	— —
8 Actuarial (Gains)/Losses	(71,238) (59,634)	26,831 (15,608)
9 Benefits Paid	— —	(28,070) (9,288)
10 Present Value of DBO at the End of Period	473,011 263,364	296,625 154,987

SCHEDULE O : Consolidated Notes on Accounts (Contd.)

(Amount in ₹)

	Gratuity (Funded)	Leave Encashment (Unfunded)
V Change in Fair Value of Assets during the year ended March 31, 2011		
1 Plan Assets at the Beginning of Period	311,146	—
	—	—
2 Acquisition Adjustment	—	—
	—	—
3 Expected Return on Plan Assets	24,892	—
	11,738	—
4 Actuarial Gains/(Losses)	—	—
5 Actual Company Contribution	—	28,070
	299,408	9,228
6 Benefits Paid	—	(28,070)
	—	(9,228)
7 Present Value of DBO at the End of Period	336,038	—
	311,146	—

VI Actuarial Assumptions		
1. Discount Rate (%)	8.25%	8.25%
2. Expected Return on Plan Assets (%)	8.00%	—
The estimates of future salary increases, considered in actuarial valuations take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.		

Figures in normal font relate to previous year

SCHEDULE O : Consolidated Notes on Accounts (Contd.)

- 15) As required by AS – 29, on 'Provisions, Contingent Liabilities and Contingent Assets' the movement of provisions existing in the financial statements as on 31st March, 2011 are as under :

(Amount in ₹)

Particulars	Opening as at 1st April, 2010	Movements During the Year	Closing as at 31st March, 2011
Provision for Contingencies	-	-	-
	-	-	-
Provision for diminution in the Value of Investments	46,935,900	(46,935,900)	-
	46,935,900	-	46,935,900
Provision for Doubtful Debts	415,611	(415,611)	-
	415,611	-	415,611

Figures in normal font relate to previous year

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

(S.S. Gupta)

Proprietor

Membership No. 17897

For and on behalf of

S.SWARUP & CO.

Chartered Accountants

Firm Registration No. 310089E

Place : Kolkata

Dated : 11th May, 2011

On behalf of the Board

Prashant Jhawar

Chairman

Debjit Bhattacharya

Whole-time Director

R. N. Chakraborty

Company Secretary

Consolidated Cash Flow Statement for the Year Ended 31st March, 2011

	Year ended 31st March, 2011		Year ended 31st March, 2010	
	(₹)	(₹)	(₹)	(₹)
A. Cash flow from Operating Activities :				
Profit before Taxation		19,920,915		12,218,651
Adjustments for :				
Depreciation	7,693,766		4,230,027	
Pre-Operative Expenses written-off	332,936		-	
Interest Income	(36,511)		(543,012)	
Dividend Income	(528,974)		(396,731)	
Interest Paid	605,019		-	
Sundry balances written back	(1,854,011)		(755,646)	
Provision written back	(49,500)		-	
Provision for Retirals made	209,647		96,315	
Provision for Leave Encashment	169,708		4,365	
Deposits/ Advances written off	67,917		98	
Unrealised Foreign Exchange Loss	42,633	6,652,630	-	2,635,416
Operating profit before working capital changes		26,573,545		14,854,067
(Increase)/Decrease of Trade and other receivables	(16,533,315)		(4,887,466)	
Increase/(Decrease) of Current Liabilities and Other Provisions	11,248,674	(5,284,641)	4,371,301	(516,165)
Cash generated from operations		21,288,904		14,337,902
Direct taxes (paid)/refund (Net)		(741,720)		267,492
Net Cash Flow from Operating Activities		20,547,184		14,605,394
B. Cash flow from Investing Activities :				
Purchase of Fixed Assets and Refund of Capital Advances	(25,500,256)		(16,951,677)	
Pre-Operative Expenses	-		(1,664,681)	
Interest received	28,148		586,542	
Dividend received	528,974		396,731	
Net cash used in Investing Activities		(24,943,134)		(17,633,085)

Consolidated Cash Flow Statement for the Year Ended 31st March, 2011 (Contd.)

	Year ended 31st March, 2011 (₹)	Year ended 31st March, 2010 (₹)
C. Cash flow from Financing Activities :		
Interest Paid	<u>(605,019)</u>	<u>—</u>
Net Cash used in Financing Activities	(605,019)	—
Net increase in cash and cash equivalents during the year (A+B+C)	<u>(5,000,969)</u>	<u>(3,027,691)</u>
Cash and Cash Equivalents at the beginning of the year [Refer Schedule F to Accounts]	7,095,662	10,123,353
Cash and Cash Equivalents at the end of the year [Refer Schedule F to Accounts]	<u><u>2,094,693</u></u>	<u><u>7,095,662</u></u>

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

This is the Cash Flow Statement referred to in our report of even date.

(S.S. Gupta)

Proprietor
Membership No. 17897

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

Place : Kolkata
Dated : 11th May, 2011

On behalf of the Board

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

USHA MARTIN EDUCATION & SOLUTIONS LIMITED

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

PROXY FORM

I/We.....of.....being a member/members Usha Martin Education & Solutions Limited, hereby appoint of or failing him.....of.....or failing him.....ofas my / our Proxy to attend and vote for me and on my/our behalf at the 14th Annual General Meeting of the Company to be held at ""Sripati Singhanian Hall", Rotary Sadan, 94/2, Jawaharlal Nehru Road, Kolkata-700 020 on Thursday, 28th day of July, 2011 at 2.30 P.M. and at any adjournment thereof.

Signed thisday ofTwo Thousand eleven.

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

DP ID No.....

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

No. of Shares.....

Affix
Revenue
Stamp

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



USHA MARTIN EDUCATION & SOLUTIONS LIMITED

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



ADMISSION SLIP

DP ID No.....

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

No. of Shares.....

I certify that I am the registered Shareholder/Proxy for the registered shareholder of the Company, I hereby record my presence at the 14th Annual General Meeting of the Company to be held at ""Sripati Singhanian Hall", Rotary Sadan, 94/2, Jawaharlal Nehru Road, Kolkata-700 020 on Thursday, 28th day of July, 2011 at 2.30 P.M. and at any adjournment thereof.

Name of the Shareholder/Proxy
In BLOCK LETTERS

Signature of the Shareholder/Proxy

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

