20th ANNUAL REPORT 2017



USHA MARTIN EDUCATION & SOLUTIONS LIMITED

CORPORATE INFORMATION

Chairman
Shri Prashant Jhawar

Vice-Chairman
Shri Rajeev Jhawar

Directors
Shri Rahul Choudhary
Shri Trivikram Khaitan
Smt. Gangotri Guha
Shri Debjit Bhattacharya
Shri Manoj Kumar Vijay
Shri Arun Kumar Ladha
Shri Nitin Sharma
Shri Vinay Kumar Gupta - Whole-time Director

Company Secretary
Mrs. Chaitee Baral

Chief Financial Officer
Shri.Indrajit Bandyopadhay

Bankers
IDBI Bank Ltd.
IndusInd Bank Ltd.
Axis Bank Ltd.

Registered Office
CIN : L31300WB1997PLC085210
Godrej Waterside, 5th Floor, Block - DP
Sector-V, Salt Lake City, Kolkata - 700 091
Tel.: +91 33 3322 3700, Fax: +91 33 3322 3800
Website : www.umesl.co.in
E-mail : chaitee.baral@umesl.co.in

Registrar and Transfer Agent
MCS Share Transfer Agents Limited
12/1/5,Manoharpukur Road, Ground Floor
Kolkata - 700 026
Tel : 033 - 4072 4051/4052/4053
Fax : 033 - 4072 4050
Email : mcssta@rediffmail.com
Website : www.mcsdel.com

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DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting the 20th Annual Report, together with the Audited Statement of Accounts of the Company for the financial year ended 31st March, 2017.

Financial Results (₹ in Lakh)

Particulars	Standalone		Consolidated	
	Year ended 31.3.2017	Year ended 31.3.2016	**Year ended 31.3.2017**	Year ended 31.3.2016
Gross Income	**151.55**	139.68	**163.08**	**156.16**
Gross Profit/(loss) before Finance Cost and Depreciation	**(101.86)**	**(237.04)**	**(99.82)**	**(234.64)**
Less: Finance Cost	**37.12**	**29.63**	**37.13**	**29.63**
Less: Depreciation	**19.90**	**23.98**	**19.89**	**23.98**
Profit/(loss) before exceptional items and tax	**(158.88)**	**(290.65)**	**(156.84)**	**(288.25)**
Less: Exeptional items	**121.77**	**–**	**121.77**	**_**
Profit/(loss) Before Tax	**(280.65)**	**(290.65)**	**(278.61)**	**(288.25)**
Less: Provision for Tax(Net)	**_**	**_**	**0.65**	**0.72**
Profit/(Loss) After Tax	**(280.65)**	**(290.65)**	**(279.26)**	**(288.97)**
Transfer to Reserves and Surplus	**(280.65)**	**(290.65)**	**(279.26)**	**(288.97)**

Financial Review

During the Financial Year ended 31st March 2017, your company recorded standalone revenue of ₹. 151.55 Lakhs, considerably lower as compared to the previous financial year.Consolidated revenue for the current financial year is ₹. 163.08 Lakhs, which also follows the same trend.

Dividend

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

Reserve and Surplus

The balance of Reserves and Surplus, as at 31st March, 2017 stands at ₹.1106.93 Lakhs after making the appropriations indicated above.

Subsidiary

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

Consolidated Financial Statements

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

Public Deposit

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

Particulars of Loans, Guarantees or Investments:

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

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

Internal Control Systems and their adequacy:

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

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

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

Corporate Social Responsibility initiatives

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

Directors

During the year under review, two of the eminent Independent Directors of your Company, viz., Mr. R P Agrawal and Mr. S K Mitra, resigned from the Board mainly due to their age, falling health and other pre-occupation. Both of them were associated with the Company for a very long period as Directors and guided the Company to various highs. The Board placed their emmence respect towards both of them and places high appreciation on records.

On resignation of Mr. Mitra and Mr. Agrawal, two Independent positions of the Board became vacant. After a thorough search Board found three very eminent persons to fit to the positions. Remuneration Committee recommended and the Board appointed all of them as Independent Directors of the Company. The details of them are as follows:

Mr. Manoj Kumar Vijay is a Commerce graduate from Calcutta University and Diploma Holder in Multi-Media Designing from Zee Education, Kolkata. He is having a vast experience of more than 30 years in various fields including Administration and Management. The Board thinks that the induction of Mr. Vijay will benefit the company in many ways specially in the administration sector.

Mr. Arun Kumar Ladha is a Commerce graduate from Calcutta University. He is having a vast experience of more than 30 years in various fields including accounts and finance. The Board thinks that the induction of Mr. Ladha will benefit the company in many ways.

Mr. Nitin Sharma is a B.Tech from WBUT. He is about 32 years of age and is currently working with KPMG as their technical consultant. Since your Company is now imparting technical education including SAP, the experience and knowledge of this young professional would be of immense help to the Company

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

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

- **Declaration of Independence**

  The Independent Directors have submitted their declaration of Independence, as per the Companies Act, 2013 and Regulation 25 of the SEBI (LODR), 2015 to the Board at the first Board Meeting of this current Financial Year.

- **Board Evaluation:**

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

  According to the policy, a comprehensive evaluation was done to assess the Board's performance as well as working of all its committees in its first Board Meeting held after the end of Financial Year 2016-17. The evaluation also included personal evaluation of individual Directors. The Directors provided their opinion and feedback on the questionnaire on secret ballot.
  The Board noted the outcome of the evaluation and expects better governance in the Board's working for the coming period.

- **Remuneration Policy**

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

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

- **Meetings:**

  Details of the various meetings held during the financial year 2016-17 have been given in the Corporate Governance Report.

Corporate Governance

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

CEO / CFO Certification

The Whole-time Director and CFO of the Company have submitted a certificate to the Board as required under Regulation 17 (8) of the SEBI (LODR), 2015 for the year ended 31st March 2017.

Directors' Responsibility Statement

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

(i) That in preparation of the accounts for the financial year ended 31st March 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(ii) That the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;

(iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) That the Directors have prepared the accounts for the financial year ended 31st March 2017 on a 'going concern' basis.

(v) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

(vi) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

Auditors

Section 139 of the Companies Act, 2013 directed that a Listed Company cannot appoint or re-appoint an Individual as auditor for more than one term of five consecutive years.
Here Auditor means Statutory Auditor.

M/s S Swarup were re-appointed as the statutory auditors of the Company for a term upto the 20th Annual General Meeting of the Company, which is coming to an end this year. Being a sole proprietorship, they cannot be re-appointed for further terms.

Hence the Company need to appoint a new Statutory Auditors with effect from the conclusion of the 20th Annual General Meeting to be held in August 2017.

The Board has recommended M/s G Basu & Co., Chartered Accountant, to be appointed as the next Statutory Auditors of the Company. M/s G Basu & Co. is a very old and eminent firm in this field. They are associated with various big companies both in the private as well as government sector. Keeping in view of the size and working of your Company, they would be best suited as the Statutory Auditors.

A resolution to give effect to their appointment has been made a part of the Notice of the Meeting, for your consideration and adoption.

Human Resources

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

The total number of permanent employees of the Company as at 31st March 2017 was 9 (Nine)

The ratio of remuneration of Median Employee to that of the Whole time Director is 1:2 as at 31st March 2017. No other Directors get any remuneration from the Company except the Board sitting fees, which is Rs 2,000 per meeting.

There was no increase in the salary of the Whole time Director and Company Secretary or any employees during the year under review.

Related Party Transactions:

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

However, during the financial year 2016-17, there is no materially significant related party transaction made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large.

Energy, Technology and Foreign Exchange Earning and Outgo

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

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

(i) Part A and B pertaining to conservation of energy and technology absorption are not applicable to the Company.

(ii) Foreign Exchange earnings and outgo are as under:

Earnings : ₹. 112.08 Lakhs

Outgo : ₹. 2.38 Lakhs

Vigil Mechanism / Whistle Blower Policy:

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

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

Environment

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

Declaration on compliance with code of conducts

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

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

Prevention of Insider Trading:

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

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

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

Secretarial Audit:

Pursuant to provisions of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has appointed Ms. Ekta Goswami, partner of Ekta Goswami Associates, Practicing Company Secretaries to undertake the Secretarial Audit of the Company. The Secretarial Audit report is annexed herewith as "Annexure B".

Extract of Annual Return:

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

Business Risk Management:

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

Board reviews the risks periodically.

Compliance Certificate

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

Acknowledgements

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

On Behalf of the Board of Directors

Place: Kolkata
Date: 26th May , 2017

Prashant Jhawar
Chairman

Vinay Kumar Gupta
Whole-time Director

ANNEXURE - A

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31/03/2017
[Pursuant to Section 92(1) of the Companies Act, 2013 And
Rule 11(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i)	CIN:	L31300WB1997PLC085210
ii)	Registration Date	18/08/1997
iii)	Name of the Company	Usha Martin Education & Solutions Limited
iv)	Category/Sub Category of the Company	Company Limited by shares/ Indian Non-Government Company
v)	Address of the Registered Office and Contact Details	Godrej Waterside, 5th Floor,Block - DP, Sector V, Salt Lake City, Kolkata-700091 Telephone:033 3322 3700 FAX: 033 3322 3800 E-mail: chaitee.baral@umesl.co.in
vi)	Whether listed Company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	MCS Share Transfer Agents Limited 12/1/5,Monaharpukur Road,Ground Floor, Kolkata - 700026 Telephone:033 4072- 4051/52/53, FAX: 033 4072- 4050 E-mail: mcssta@rediffmail.com

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change During the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) **Indian**									
a) Individual/ HUF	482085	0	482085	1.825	429241	0	429241	1.625	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	8510364	0	8510364	32.217	8510364	0	8510364	32.217	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Sub-total (A)(1):-	**8992449**	**0**	**8992449**	**34.042**	**8939605**	**0**	**8939605**	**34.00**	**0**
(2) **Foreign**									
a) NRIs-Individuals	0	0	0	0	0	0	0	0	0
b) Other-Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp	2388291	0	2388291	9.041	2388291	0	2388291	9.041	0

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change During the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
Sub-total (A)(2):-	**2388291**	**0**	**2388291**	**9.041**	**2388291**	**0**	**2388291**	**9.041**	**0**
Total Shareholding of Promoter(A)=A(1) + A(2)	**11380740**	**0**	**11380740**	**43.111**	**11327896**	**0**	**11327896**	**43.041**	**0**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	1101	533	1634	0.006	1101	533	1634	0.006	0
b) Banks / FI	2921	3052	5973	0.023	2921	3052	5973	0.023	0
c) Central Govt	0	727	727	0.003	0	727	727	0.003	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	929862	0	929862	3.520	929862	0	929862	3.520	0
g) FIIs	1277291	699	1277990	4.838	1277291	699	1277990	4.838	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	**2211175**	**5011**	**2216186**	**8.390**	**2211175**	**5011**	**2216186**	**8.390**	**0**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1517317	15048	1532365	5.802	1757387	0	1772435	6.710	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹.2Lakh	7353184	579008	7932192	30.028	7233962	575117	7809079	29.562	0
ii) Individual shareholders holding nominal share capital in excess of ₹.2 lakh	1200320	0	1200320	4.544	1151533	0	1151533	4.359	0
iii) NBFC Rgistered with RBI	-	-	-	-	0	250	250	0.00	0
c) Others (specify)									
i. Trust & Foundation	98	0	98	0.000	98	0	98	0.000	0
ii. NRI with REPAT	344976	9479	354455	1.342	310237	9479	319716	1.210	
ii. NRI without REPAT					18163	0	18163	0.688	0
iii.Cooperative Societies	-	-	-	-	1000	0	1000	0.004	0
iv. OCB	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	**10415895**	**603535**	**11019430**	**41.717**	**10472380**	**599644**	**11072024**	**42.529**	**0**
Total Shareholding of Promotor (B)=B(1) + B(2)	**12627070**	**608546**	**13235616**	**50.077**	**12683555**	**604655**	**13288210**	**50.077**	**0**
C. Shares held by Custodian for GDRs & ADRs	1799455	0	1799455	6.812	1799455	0	1799455	6.812	0
Grand Total (A+B+C)	**25807265**	**608546**	**26415811**	**100**	**25810906**	**604905**	**26415811**	**100**	**0**

ii) Shareholding of Promoter-

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

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

SN	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during theyear	
1	**Uma Devi Jhawar**	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the begining of the year	52183	0.20	0	0.00
	Sale of Shares	52183	0.20	0	0.00
	At the end of the year	0	0.00	0	0.00
2.	**Anupriya Jhawar**				
	At the begining of the year	661	0.00	0	0.00
	Sale of Shares	661	0.00	0	0.00
	At the end of the year	0	0.00	0	0.00

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

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during theyear	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	ELARA INDIA OPPORTUNITIES FUND LIMITED	1277291	4.8353	1277291	4.8353
2	FOLLOWEL ENGINEERING LIMITED	468000	1.7717	468000	1.7717
3	RAJYA BARDHAN KANORIA	450055	1.7037	0	0

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during theyear	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4	GENERAL INSURANCE CORPORATION OF INDIA	369295	1.398	369295	1.398
5	EDELWEISS BROKING LIMITED	285149	1.079	0	0
6	FALGUNI NILESH DEDHIA	247500	0.9369	247500	0.9369
7	AJAY MEENA	236112	0.8938	236112	0.8938
8	NATIONAL INSURANCE COMPANY LTD.	227035	0.8595	227035	0.8595
9	SHEELA DEVI KANORIA	217866	0.8248	217866	0.8248
10	GOLDVIEW FINANCIAL SERVICES LTD	198974	0.7532	198974	0.7532

v) Shareholding of Directors and Key Managerial Personnel

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

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

(Amount in ₹.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	4852380.85	22750000	_	27602380.85
ii) Interest due but not paid	54113.00	1837840	_	1891953.00

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
iii) Interest accrued but not due	–	–	–	-
Total (i+ii+iii)	4906493.85	24587840	–	29494333.85
Change in Indebtedness during the financial year				
* Addition	15280322.75	2100000	–	17380322.75
* Reduction	15191926.26	1150000	–	16341926.26
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	4940777.34	23700000	-	2864077.34
ii) Interest due but not paid	43497.00	4328985	–	4372482.00
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	4984274.34	28028985	–	33013259.34

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(Amount in ₹.)

SN.	Particulars of Remuneration	Name of Whole-time Director	Name of Whole-time Director	Total Amount
		Debjit Bhattacharya [Till 4th July, 2016]	Vinay Kumar Gupta [From 4th July, 2016]	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	142306	412500	554806
	(b) Value of perquisites u/s 17(2) Income-tax Act,1961	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL
4	Commission- as % of profit- others, specify ...	NIL	NIL	NIL
5	Others, (Allowances, Reimbursements & Retrials)	286419	837500	1123919
	Total (A)	428725	1250000	1678725
	Ceiling as per the Act			

B. Remuneration to other Directors

(Amount in ₹.)

SN.	Particulars of Remuneration	Name of Directors				Total Amt.
1	Independent Directors	**SK Mitra**	**RP Agrawal**	**Rahul Choudhary**	**Trivikram Khaitan**	
	Fee for attending board committee meetings	8000	8000	22000	8000	
	Commission	0	0	0	0	
	Others, please specify	0	0	0	0	
	Total (1)	8000	8000	22000	8000	
2	Other Non-Executive Directors	**P.Jhawar**	**R.Jhawar**	**Gangotri Guho**	**Debjit Bhattacharya**	-
	Fee for attending board committee meetings	6000	2000	18000	6000	
	Commission	0	0	0	NIL	
	Others, please specify	0	0	0	NIL	
	Total (2)	6000	2000	18000	6000	
	Total (B)=(1+2)	14000	10000	40000	14000	78000
	Total ManagerialRemuneration					
	Overall Ceiling as per the Act					

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

(Amount in ₹.)

SN	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	132000	218129	
	(b) Value of perquisites u/s 17(2) income-tax Act, 1961	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL
4	Commission	NIL	NIL	NIL
	- as % of profit	NIL	NIL	NIL
	others, specify...	NIL	NIL	NIL
5	Others, (Allowances, Reimbursements & Retrials)	268000	559515	
	Total	400000	777644	

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

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

ANNEXURE -B

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st Day of March, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2015]

To,
The Members,
Usha Martin Education & Solutions Limited

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

Based on our verification of books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, and authorized representatives during the conduct of **Secretarial Audit**, we hereby report that in our opinion the Company has, during the audit period covering the financial year ended **31st March, 2017** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended **31st March, 2017** according to the provisions of:

I. The Companies Act, 2013 **("the Act")**and the rules made thereunder;
II. The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
IV. The following Regulations (as amended from time to time) and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:-
   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
   (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
V. No Specific Laws were applicable to the Company during the period under review.

We have also examined the compliance by the company of the following statutory provisions/standards/regulations:

a. The Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
b. The Secretarial Standards (SS - 1 and SS – 2) issued by the Institute of Company Secretaries of India.

We further report that:

The Board of Directors of the Company **is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Woman Director.** The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and SEBI (LODR) Regulations, 2015.

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

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

We further report that during the period under review there were no special events which occurred.

For Ekta Goswami & Associates

Ekta Goswami
Proprietor
Mem. No.: A40657
C P. No.: 16778

Place : Kolkata
Date : 15.05.2017

MANAGEMENT DISCUSSION AND ANALYSIS

Globalization has not only increased competition in world economics but also brought up challenges in to the country's educational systems. Policies and strategies that determine educational reforms have been coped up with the new reality by framing out structures in domestic educational systems that encourage comparing and rank ordering among international, national and regional educational qualities and performances. History teaches us that the power of a country is completely relying on its literacy rate, span of education and the quality of education. The purpose of education is not only to contribute positively to the country's economy but also to make an ideal society which confirms equality, equity, justice and to help maintaining the rich culture of the nation. Being a developing economy, availability of basic education at an optimum cost is another challenge for India but with the initiative of the Government, different programs have been initiated to alleviate poverty and unemployment which have encouraged knowledge-seekers to be involved more into higher education, rather into the job-oriented education.

Industry Overview:

India has become the second largest market for e-learning after the US. The sector is currently pegged at US$ 2-3 billion, and is expected to touch US$ 40 billion by the end of 2017. The distance and vocational education market in India is expected to grow at a compound annual growth rate (CAGR) of around 34 per cent during 2013-14 to 2017-18. Moreover, the aim of the government to raise its current gross enrolment ratio to 30 per cent by 2020 will also boost the growth of the vocational education in India. The education sector in India is experiencing a major growth in the years to come as India will have world's largest tertiary-age population and second largest graduate talent pipeline globally by the end of 2020. Higher education system in India has undergone rapid expansion. Currently, India's higher education system is the largest in the world enrolling over 70 million students while in less than two decades, India has managed to create additional capacity for over 40 million students. At present, higher education sector witnesses spending of over Rs 46,200 crore (US$ 6.93 billion), and it is expected to grow at an average annual rate of over 18 per cent to reach Rs 232,500 crore (US$ 34.87 billion) in next 10 years. The total amount of Foreign Direct Investments (FDI) inflow into the education sector in India stood at US$ 1,383.62 million from April 2000 to December 2016, according to data released by Department of Industrial Policy and Promotion (DIPP). The amount of inflow explains the importance of this sector in the eyes of the Government.

Beside the expansion of the formal education, people are interested into different application based e-learning which creates access to the continuously changing job markets easily. Among those study on SAP, BigData Analytics, Hybris Core and Commerce are gaining prominence for its wide use in the west and southern part of the country among the multinationals. Quality aspirants are coming to get trained in those unconventional streams either to see themselves in the upper ladder of the organizational chart soon or to get entry into eminent multinationals as consultants. Although recent changes in the global policy of outsourcing may create a temporary setback among the interest groups in enrolling these type of courses.

(Ref: Organization's internal research data, www.iosrjournals.org, www.ibef.org)

Company Outlook & Strategy:

Your Company is an authorized SAP education partner imparting training to the fresher and experienced professionals in different modules of SAP. Some of our students are well placed in companies like Wipro, Cap Gemini etc. Your Company is providing the training in all three modes, viz. Instructor Led Training (ILT), Virtual Learning Classes (VLC) and Online Training (OLT) especially meant for the busy working professional.

Since your company is operating from Kolkata we are suffering from the problem of enrolment of the desired number. The reasons are of the low payment capability of the inhabitants and less job opportunity in the local industries.

Your Company also has started imparting training to the employees of various corporates including some of the Companies within the same Group in the line of SAP and related courses.

Business Review:

Learning Business Segment:

Realising the importance of e-learning and IT-enabled courses your company is continuing to impart quality training of SAP modules in a state-of-art infrastructure and to provide the placement assistance to the successful consultants.

Your company is also providing training on SAP and other allied areas to the employees of its sister concerns.

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

Opportunities and Threats:

The vocational education and training is fast emerging as an important area of focus. This is further corroborated by the various initiatives taken by the Government, in relation with the generation of the employment opportunities within the country and abroad. India's current foreign policies, especially with the developed countries usher rays of hope. One of India's biggest challenges as well as advantages is its growing young population. India targets creation of 500 million skilled workers in 2022. Failure to generate employment has its consequences.

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

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

Adequacy of Internal Controls:

As a practice, the company continues with the process of having internal control system which is adequate and in commensuration with the span and quality of operations of the organization. Benchmarks related to cost, quality, purchase etc. are strictly monitored to ensure a smooth and standardized operations. The synopsis of the procedures is:

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

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

Human Resources:

Human capital is treated as an integrated part of organization's development. Right skills and attitudes are required for achieving the objectives of the organization. Keeping those in mind your company searches the right talent as and when required. The company maintains the appropriate HR practices as per the industry standards and creates a congenial working environment within the organization.

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

Cautionary Statements

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

On Behalf of the Board of Directors

Place: Kolkata
Date: 26th May , 2017

Prashant Jhawar
Chairman

Vinay Kumar Gupta
Whole-time Director

REPORT ON CORPORATE GOVERNANCE

[Pursuant to Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

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

Corporate Governance ensures a mechanism of observance which in turn ensures that the Management empowered with the ultimate decision making abilities, is using utmost care and is responsible enough to safeguard the stakeholders' aspirations and expectations. Good governance can be achieved only if it is embedded as part of the corporate culture in the Organisation. Good corporate governance is a continuing exercise and it or the lack of it can have an impact on the entire organization and its business activities as a whole. Hence the Company's activities are carried out in accordance with good corporate practices and are constantly striving to improve upon the same. The Company is always in compliance with all the procedures and stipulations as directed by Companies Act and other statutory legislations and the SEBI (LODR) Regulations,2015.

II. BOARD OF DIRECTORS

➢ Composition

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

The total strength of your Board of Directors as on 31st March, 2017 was Seven members consisting of one Non–Executive Chairman, Four Non-Executive Directors including one Woman Director and Two Independent Directors. However,subsequently during the 1st half of 2017-18, three more Independent Directors were inducted to your Board.

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

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

Composition of the Board of Directors and their shareholding as on 31st March, 2017

Name	Designation	No. of Outside Directorship held **	No. of outside Committee position held #		No. of Equity Shares held
			Member	Chairman	
Shri. Prashant Jhawar	Chairman/Non-Executive	6	_	_	134,220
Shri. Rajeev Jhawar	Vice-Chairman /Non-Executive	4	2	_	36,957
Shri. Trivikram Khaitan	Non-Executive/ Independent	2	_	_	_
Shri. Rahul Choudhary	Non-Executive / Independent	_	_	_	_
Shri. Debjit Bhattacharya	Non-Executive	3	_	_	16,000
Smt. Gangotri Guha	Woman Director/ Non-Executive	1	_	_	_
Shri. Vinay Kumar Gupta	Whole-Time Director/ Excutive	_	_	_	_

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

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

➢ 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, 5(five) Board meetings were held.

The dates on which the Board Meetings were held are as follows: 27th May, 2016, 4th July, 2016, 9th August, 2016, 9th November, 2016 and 8th February, 2017. All relevant information as required under Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was placed before the Board from time to time.

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

Director	Board Meetings Attended	Presence in AGM
Shri Prashant Jhawar	3	Present
Shri Rajeev Jhawar	1	Not Present
Shri Subrata Kumar Mitra	4	Not Present
Shri Rameshwar Pal Agrawal	4	Not Present
Mrs. Gangotri Guha	5	Present
Shri Trivikram Khaitan	1	Not Present
Shri Rahul Choudhary	5	Present
Shri Debjit Bhattacharya	5	Present
Vinay Kumar Gupta	3	Present

➢ **Functioning and responsibilities of Board of Directors**

The Board of directors plays the primary role in ensuring good corporate governance and functioning of the Company. All statutory and other significant and material information including information mentioned in the Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is placed before the Board to enable it to discharge its responsibilities of strategic supervision of the Company as trustees of the members. The Company has an effective post-meeting follow-up mechanism in place. Action Taken Report on decisions taken at previous meetings of the Board is reviewed at the subsequent meeting of the Board.

➢ **Compliance with Laws**

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

➢ **Code of Conduct**

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

➢ **Board Evaluation**

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

Based on such policy, the Board in its first Board Meeting held after the end of Financial Year 2016-17, performed an Evaluation, on a comprehensive basis, of its own working, as well as working of all its committees. The evaluation also included personal evaluation of individual Directors.

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

III. AUDIT COMMITTEE

➢ **Constitution of Audit Committee**

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

The members of Audit Committee as on 31st March 2017 are as follows:

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

The Company Secretary acts as the Secretary to the committee.

➢ **Terms of Reference for Audit Committee**

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

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

➢ **Meeting of the Audit Committee**

The dates of the Audit Committee Meeting are fixed in advance and accordingly intimation is sent to the Audit Committee Members. During the year under review, 4 (four) Audit Committee Meetings were held on 27th May, 2016, 9th August, 2016, 9th November, 2016 and 8th February, 2017.

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

IV. NOMINATION AND REMUNERATION COMMITTEE

➢ **Constitution of Nomination and Remuneration Committee**

The Nomination and Remuneration has been constituted in line with the provisions of Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also meets the requirement of Section 178 of the Companies Act, 2013. As on 31st March 2017, the Committee comprises of following members:

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

The Company Secretary acts as Secretary of the Committee.

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

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

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

During the financial year ended 31st March 2017, meeting of Nomination and Remuneration Committee was held on 4th July, 2016, and 9thNovember, 2016

Director	Nomination and Remuneration Cmmittee attended
Shri Rahul Chaudhary	2
Shri Rajeev Jhawar	_
Shri Trivikram Khaitan	2

Details of Remuneration paid to all Directors

- **Executive Directors**

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

Executive Director	Relationship with other Directors	Business relationship with the Company	All elements of remuneration package	Fixed components and performance linked incentives	Service contracts, notice period	Stock options details, if any	Change in Desgnation
Shri. Debjit Bhattacharya	None	Resigned as Whole-Time Director w.e.f: 4thJuly, 2016	Pl. see note below	Pl. see note below	Pl. see note below	Pl. see note below	Resigned as Executive Director w.e.f: 4thJuly, 2016
Shri. Vinay Kumar Gupta	None	Whole-time Director	Pl. see note below	Pl. see note below	Pl. see note below	Pl. see note below	Appointed as Executive Director w.e.f: 4thJuly, 2016

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

- Non- Executive Directors

Directors	Sitting Fees Paid (₹)		
	Board Meeting	Audit Committee Meeting	Nomination and Remuneration Committee
Shri Prashant Jhawar	6000	NA	NA
Shri Rajeev Jhawar	2000	NA	NA
Shri Subrata Kumar Mitra	8000	NA	NA
Shri Rameshwar Pal Agrawal	8000	NA	NA
Mrs.Gangotri Guha	10000	8000	NA
Shri Trivikram Khaitan	2000	2000	4000
Shri Rahul Choudhary	10000	8,000	4000
Shri. Debjit Bhattacharya	6000	NA	NA

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

V. STAKEHOLDERS' RELATIONSHIP COMMITTEE

➢ **Constitution of Stakeholders Relationship Committee**

The Stakeholders Relationship Committee comprises of following members as on 31st March 2017:

Name	Designation
Shri Rajeev Jhawar	Chairman/Non-Executive
Shri Subrata Kumar Mitra	Member/Independent/Non-Executive upto 8th Feb, 2017
Shri Debjit Bhattacharya	Member/Non-Executive

However, the committee needed a re-constitution which took place during the 1st half of 2017-18.

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

➢ **Terms of Reference of the Committee**

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

Status of complaints for the period from 01-04-2016 to 31-03-2017:

Complaints pending as on 1st April, 2016	_
Number of complaints received	6
Number of complaints attended to/resolved	6
Complaints pending as on 31st March, 2017	_
Number of share transfer pending for approval as on 31st March,2017	_

➢ **Meeting of the Stakeholders Relationship Committee**

During the year under review, 4 (Four)Stakeholders Relationship Committee Meetings were held on 1st June, 2016, 9th August, 2016, 9th November, 2016 and 8th February, 2017.

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

➢ **Independent Directors Meeting**

During the year under review, 1 (one) Independent Directors Meeting was held on 8th February,2016 as per the provision of Companies Act, 2013 and Regulation 25(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 All the Independent Directors attended the meeting.

VI. GENERAL BODY MEETINGS

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

Date	Venue	Special Resolutions Passed
9th August,2016 at 2:30 P.M	Shripati Singhania Hall, Rotary Sadan, 94/2, J.N Road, Kolkata-700020	None
5th August,2015 at 2:30 P.M	Shripati Singhania Hall, Rotary Sadan, 94/2, J.N Road, Kolkata-700020	None
1st August,2014 at 2:30 P.M	Shripati Singhania Hall, Rotary Sadan, 94/2, J.N Road, Kolkata-700020	None

VII. DISCLOSURES

➢ **Materially significant related party transactions**

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

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

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

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

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

➢ **Whistle Blower Policy**

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

➢ **Subsidiaries**

The Company has a subsidiary under the name and style of "Usha Martin Education Private Limited". An Independent Director of the Company is appointed as one of the Director of subsidiary company. The minutes of proceedings of meetings of the Board of Directors of subsidiary company are placed before the Board of Directors of the Company and attention of the directors is drawn to significant transactions and arrangements entered into by the subsidiary company.

➢ **Disclosure of Accounting treatment**

The financial statements are prepared on accrual basis of accounting and in accordance with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India from time to time, Indian GAAP, provisions of the Companies Act, 2013 and comply in material aspects with the accounting standards notified under Section 211(3C) of the Companies Act, 2013 read with the Companies (Accounting Standard) Rules, 2006.

➢ **CEO/CFO Certification**

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

➢ **Reconciliation of Share Capital Audit**

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

➢ **Compliance with Non Mandatory requirements**

- **The Board**

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

- **Audit Qualification**

  There is no audit qualification.

- **Report of Internal Auditor**

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

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

VIII. MEANS OF COMMUNICATION

➢ **Financial Results**

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

➢ **Website**

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

➢ **Annual Report**

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

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

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

IX. GENERAL SHAREHOLDERS INFORMATION

➢ Date of Incorporation	18th August, 1997
➢ Corporate Identity Number (CIN)	L31300WB1997PLC085210
➢ Registered Office	Godrej Waterside, 5th Floor, Block - DP, Sector – V, Salt Lake Kolkata 700 091
➢ Date, time and Venue of Annual General Meeting	22nd September, 2017 at 11.00 am at "Rabindra Niketan Auditorium", Nalban Sector - IV, Salt Lake, Kolkata - 700091
➢ Financial Calendar (tentative and subject to change)	
• Financial reporting for the first quarter ending June 30, 2017	On or before 14th September, 2017 (As per Circular No: CIR/CFD/FAC/62/ 2016, dated 5th July,2016)
• Financial reporting for the second quarter ending September 30, 2017	On or before 15th December, 2017
• Financial reporting for the third quarter ending December 31, 2017	On or before 15th February, 2018
• Audited Results for the year ended March 31, 2018	On or before 31st May, 2018
• Annual General Meeting for the year ended March 31, 2018	On or before 30th September, 2018
➢ Date of Book Closure	16th September, 2017 - 22nd September, 2017 (both days inclusive)
➢ Dividend Payment Date	Not Applicable

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

➢ **Market Price Data**

Share price for financial year 2016-17

Prices in ₹

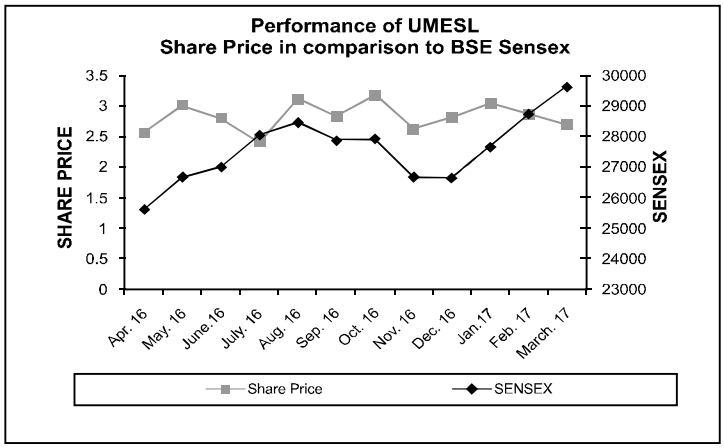
Month	High	Low
Mar'17	2.89	2.36
Feb'17	3.17	2.30
Jan'17	3.69	2.65
Dec'16	2.82	2.34
Nov'16	3.93	2.61
Oct'16	3.49	2.63
Sep'16	3.00	2.60
Aug'16	3.11	2.41
Jul'16	3.01	2.26
Jun'16	3.40	2.67
May'16	3.67	2.45
Apr'16	2.79	2.21

Distribution of Shareholding as on 31st March, 2017

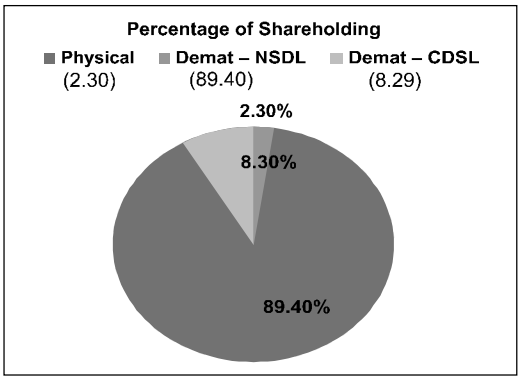
Range	No. of Shareholders	Number of Shares
1 - 500	29022	2010813
501 - 1000	1060	898561
1001 - 5000	876	2074991
5001 - 10000	110	824330
10001 & above	131	20607116
Total	**31199**	**26415811**

➢ Performance of Company's Shares vis-à-vis BSE Sensex

Comparison of monthly closing price of the Company with monthly closing BSE Sensex during the period April 2016 to March, 2017 is given below:



➢ Physical vis-à-vis Demat shareholding as on 31st March 2017



➢ Dematerialization of Shares and Liquidity as on 31st March, 2017

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, 2017 is as under:

Type of shareholding	Number of Shares	Percentage of Shareholding
Physical	604655	2.29
Demat – NSDL	23620675	89.42
Demat – CDSL	2190481	8.29
Total	**26415811**	**100**

➢ Pattern of shareholding as on 31st March, 2017

Category	No. of shareholders	Percentage of shareholders	No. of shares held	Percentage of share-holding
Promoters Group	17	0.54	11327896	42.88
Mutual Funds/UTI	6	0.019	1634	0.006
Banks/Financial Institutions/ Ins/ Govt.	33	0.105	936562	3.545
FIIS/FVC	5	0.016	1277990	4.838
Bodies Corporates	412	1.392	1772685	6.7
Individuals	30584	98.02	8960612	33.92
Others	141	0.450	338977	1.28
GDRs	1	0.003	1799455	6.812
Total	**31199**	**100**	**26415811**	**100**

➢ Share Transfer System

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

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

As on 31st March, 2017, there are 1,799,455 outstanding GDRs each representing one equity share of the Company.

Auditors' Certificate on compliance of conditions of Corporate Governance.

To
The Members
Usha Martin Education & Solutions Limited

We have examined the compliance of conditions of Corporate Governance by Usha Martin Education & Solutions Limited ("the Company"), for the year ended on 31 March 2017, as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations)

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

We conducted our examination in accordance with the guidance note on Reports or Certificates for Special Purposes (Revised 2016) issued by Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality control for firms that perform audits and Reviews of Historical Financial Statements, and Other Assurance and Related Services Engagements.

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 Obligations and Disclosure Requirements, as applicable.

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

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

Place: Kolkata
Date: 26th May, 2017

[Regulation 17(8)]

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

CEO & CFO Certification

To
The Board of Directors
Usha Martin Education & Solutions Limited

In pursuance to Part –B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with various Stock Exchanges, we hereby certify as under with regard to the Annual Audited Accounts of the Company for the financial year ended 31st March, 2017, including the Schedules and notes forming part thereof, as well as the Cash Flow Statement for the financial year ended as on that date:

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

Date: 26th May,2017	Vinay Kumar Gupta	Indrajit Bandyopadhay
Place: Kolkata	Whole-time Director	Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To the Members of USHA MARTIN EDUCATION & SOLUTIONS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of USHA MARTIN EDUCATION & SOLUTIONS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its Loss and its cash flows for the year ended on that date.

Emphasis on Matter

We draw attention to the matter reffered to in Note No.20(11) of Notes on Accounts to financial statements which refers to provision for impairment of assets of Rs. 1,21,76,753/- being the carrying amount of building constructed on leasehold land, possession of which was taken by the lessor during the year on account of closure of the education centre.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such control, refer to our separate report in Annexure "B".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company does not have any pending litigations which would impact its financial position.

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the company.Refer Note 20(10)to the financial statements.

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

Place : Kolkata
Date : May 26th, 2017

ANNEXURE " A" TO THE AUDITORS' REPORT

The Annexure referred to in our Report to the member of the Company on the standalone financial statements for the year ended 31st March, 2017, we report that:

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
(b) All fixed assets were physically verified by the management during the year. As informed no material discrepancies were noticed on such verification.
(c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company does not own any immovable property.Hence, paragraph 3(i)(c) of the Order is not applicable. However, the land, which was taken on lease in earlier years on which construction was done, has been taken possesion by the lessor during the year and carrying amount i.e., written down value (WDV) of ₹.1,21,76,753/- has been provided by way of impairement.(Refer Note No. 20(11) of Notes on Accounts).

ii. The Company is a service company. Accordingly, it does not hold any physical inventories. Thus paragraph 3(ii) of the Order is not applicable.

iii. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of paragraph 3 (iii) (a) to (c) of the Order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013, with respect of loans, investments, guarantees, and security made.

v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable. Hence, paragraph 3(v) of the Order is not applicable

vi. The clause relating to maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 is not applicable to the company. Hence, paragraph 3(vi) of the Order is not applicable.

vii. (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2017 for a period of more than six months from the date on when they become payable.
b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institution, bank, government or dues to debenture holders.

ix. According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term loans. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company.

x. According to the information and explanations given to us, no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

xi. According to the information and explanations given to us and on the basis of our examination of the records of the company, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us and on the basis of our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.

xvi. The company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

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

Place : Kolkata
Date : May 26th, 2017

ANNEXURE "B" TO THE AUDITORS' REPORT

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

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

We have audited the internal financial controls over financial reporting of **USHA MARTIN EDUCATION & SOLUTIONS LIMITED**("the Company") as of 31st March, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place : Kolkata
Date : May 26th, 2017

Balance Sheet as at 31st March, 2017

	Particulars	Note no.	As at 31st March, 2017 (Amount in ₹)	As at 31st March, 2016 (Amount in ₹)
I	EQUITY AND LIABILITIES			
1)	**Shareholders' Funds**			
(a)	Share Capital	1	2,64,15,811	2,64,15,811
(b)	Reserves and Surplus	2	110,693,771	138,759,144
2)	**Non - Current Liabilities**			
(a)	Long Term Provisions	3	12,575,838	1,045,193
3)	**Current Liabilities**			
(a)	Short Term Borrowings	4	28,640,777	27,602,381
(b)	Trade Payables	5	5,265,952	5,767,216
(c)	Other Current Liabilities	6	7,464,919	7,351,737
(d)	Short Term Provisions	7	11,929	79,866
		TOTAL	191,068,997	207,021,348
II	ASSETS			
1)	**Non - Current Assets**			
(a)	**Fixed Assets**	8		
(i)	Tangible Assets		14,386,143	20,981,993
(ii)	Intangible Assets		859	519,335
(b)	Non-Current Investments	9	160,500,000	160,500,000
(c)	Long Term Loans and Advances	10	1,372,910	3,247,295
(d)	Other Non- Current Assets	11	2,030,826	1,960,000
2)	**Current Assets**			
(a)	Trade Receivables	12	2,070,298	5,660,554
(b)	Cash and Cash equivalents	13	173,457	1,692,112
(c)	Short Term Loans and Advances	14	10,534,504	12,460,059
		TOTAL	191,068,997	207,021,348
	Significant Accounting Policies and Notes on Accounts	20		

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

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

Place : Kolkata
Dated : 26th May, 2017

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

On behalf of the Board

Prashant Jhawar	Chairman
Vinay Kumar Gupta	Whole-time Director
Chaitee Baral	Company Secretary

Statement of Profit and Loss for the Year Ended 31st March, 2017

	Particulars	Note no.	For the Year Ended 31st March, 2017 (Amount in ₹)	For the Year Ended 31st March, 2016 (Amount in ₹)
I	**Revenue**			
	Revenue from Operations	15	14,226,081	13,076,018
	Other Income	16	929,193	891,806
II	**Total Revenue**		15,155,274	13,967,824
III	**Expenses**			
	Employee Benefit Expenses	17	8,220,340	13,160,033
	Finance Costs	18	3,712,587	2,963,253
	Depreciation and Amortization Expenses		1,989,919	2,398,261
	Operating and Administrative Expenses	19	17,121,048	24,511,255
IV	**Total Expenses**		31,043,894	43,032,802
V	**Profit/ (Loss) before Exeptional items and Tax**		(15,888,620)	(29,064,978)
VI	**Exeptional items**			
	Impairment of Tangible Asset		12,176,753	–
VII	**Profit / (Loss) before Tax**		(28,065,373)	(29,064,978)
VIII	**Tax Expense:**			
	Current Tax		–	–
IX	**Profit / (Loss) after Tax**		(28,065,373)	(29,064,978)
	Earnings per Equity Share			
	(1) Basic		(1.06)	(1.10)
	(2) Diluted		(1.06)	(1.10)
	Significant Accounting Policies and Notes on Accounts	20		

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

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

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

Place : Kolkata
Dated : 26th May, 2017

On behalf of the Board

Prashant Jhawar	Chairman
Vinay Kumar Gupta	Whole-time Director
Chaitee Baral	Company Secretary

Notes forming part of Balance Sheet

		As at 31st March, 2017 (Amount in ₹)		As at 31st March, 2016 (Amount in ₹)
Note : 1 - SHARE CAPITAL				
a) **Authorised**				
200,000,000 Equity Shares of ₹ 1/- each (Previous year 200,000,000 Equity Shares of ₹ 1/- each)	20,00,00,000		20,00,00,000	
1,000,000 10.75% Cumulative Redeemable Preference Shares of ₹ 50/- each	5,00,00,000		5,00,00,000	
		25,00,00,000		25,00,00,000
b) **Issued, Subscribed and Paid-up**				
26,415,811 Equity Shares of ₹ 1/- each (Previous year 26,415,811 Equity Shares ₹ 1/- each)		2,64,15,811		2,64,15,811
		2,64,15,811		2,64,15,811

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

c) There has been no Movement in number of shares outstanding at the beginning and at the end of reporting period

d) The Company has only one class of issued shares i.e. ordinary equity shares having par value of ₹. 1 per share. Each holder of ordinary shares is entitled to one vote per share and equal right for dividend. No preference and/or restrictions on distribution of dividend and repayment of capital is attached to the above shares.

e) Shares in the Company held by each shareholder holding more than 5% as on balance sheet date

Name of the shareholders	No. of Equity Shares as on 31.03.2017	% of Equity Shares as on 31.03.2017	No. of Equity Shares as on 31.03.2016	% of Equity Shares as on 31.03.2016
UMIL Share & Stock Broking Services Ltd	3,075,127	11.64	3,075,127	11.64
Peterhouse Investment India Limited	2,968,718	11.24	2,968,718	11.24
Peterhouse Investment Limited	2,388,291	9.04	2,388,291	9.04
Prajeev Investments Limited	2,057,610	7.79	2,057,610	7.79
Deutsche Bank Trust Company Americas	1,799,455	6.81	1,799,455	6.81

f) There are no shares reserved for issue under option and contracts /commitments for sale of shares /disinvestment as at the Balance Sheet date.

g) i) No shares have been allotted or has been bought back by the Company during the period of five years preceding the date as at which the Balance Sheet is prepared.

ii) No convertible securities has been issued by the Company during the year.

iii) No calls are unpaid by any Director and Officer of the Company during the year.

Notes forming part of Balance Sheet

	As at 31st March, 2017 (Amount in ₹)	As at 31st March, 2016 (Amount in ₹)
Note : 2 - RESERVE AND SURPLUS		
Securities Premium Account		
As per last Account	1,20,249	1,20,249
	120,249	120,249
General Reserve Account (see note below)		
As per last Balance Sheet	138,638,895	167,703,873
Add: Transferred from Statement of Profit & Loss	(28,065,373)	(29,064,978)
	110,573,522	138,638,895
	110,693,771	138,759,144

Note: General Reserves are free Reserve or undistributed profits and created out of appropriation of profits. The Reserves are created based on the financial policy of the Company and discretion of the management. The Reserves can be utilized for any general purpose of the business which may include, meeting future liabilities or losses, strengthening the financial position of the business/ expansion of business etc.

Note : 3 - Long Term Provisions		
Provision for Impairment of Asset	12,176,753	–
Provision for Employees benefit		
- Gratuity (Funded)	283,164	718,016
- Leave Encashment (Un-funded)	115,921	327,177
	12,575,838	1,045,193
Note : 4 - Short Term Borrowings		
Secured : IDBI Overdraft Account	4,940,777	4,852,381
(Secured against hypothecation of current and movable fixed assets, both present and future and ranking pari passu with the existing lenders for their loans. Also collaterally secured by Escrow account and lien on Fixed Deposit together with future interest)		
Unsecured : Loans from corporate bodies	23,700,000	22,750,000
	28,640,777	27,602,381
Note : 5 - Trade Payables		
For Supplies / Services	3,403,107	3,896,262
Accrued Expenses	1,862,845	1,870,954
	5,265,952	5,767,216
Note : 6 - Other Current Liabilities		
Advance Received from Customers	–	8,000
Unearned Revenue	–	470,564
Other Payables		
Statutory Dues	439,251	1,104,602
Interest on Unsecured Loan	4,328,985	1,837,840
Capital Goods	347,893	618,343
Employees related liabilities	1,735,440	3,312,388
Other Liabilities	613,350	–
	7,464,919	7,351,737
Note : 7 - Short Term Provisions		
Provision for Employee benefit		
- Gratuity (Funded)	8,267	68,844
- Leave Encashment (Un-funded)	3,662	11,022
	11,929	79,866

Notes forming part of Balance Sheet

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

(Amount in ₹)

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Balance as at 31st March, 2016	Additions	Sales / Adjustments during the year	Balance as at 31st March, 2017	As at 31st March, 2016	Depreciation Charges for the Year	Sales / Adjustments during the year	Balance as at 31st March, 2017	Balance as at 31st March, 2017	Balance as at 31st March, 2016
A. Tangible Assets										
Building	13,472,826	_	_	13,472,826	1,083,086	212,987	_	1,296,073	12,176,753	12,389,740
Plant and Equipment	8,848,428	_	5,678,676	3,169,752	7,976,537	225,659	5,473,002	2,729,194	440,558	871,891
Office Equipment	3,554,530	_	1,486,693	2,067,837	2,012,592	265,280	689,819	1,588,053	479,784	1,541,938
Furniture & Fixtures	9,259,220	_	6,794,727	2,464,493	3,719,207	891,698	3,005,421	1,605,484	859,009	5,540,013
Vehicles	1,961,064	_	27,407	1,933,657	1,322,653	209,876	28,911	1,503,618	430,039	638,411
	37,096,068	_	13,987,503	23,108,565	16,114,075	1,805,500	9,197,153	8,722,422	14,386,143	20,981,993
B. Intangible Assets										
Software	3,281,712	_	1,738,545	1,543,167	2,762,377	184,419	1,404,488	1,542,308	859	519,335
	3,281,712	_	1,738,545	1,543,167	2,762,377	184,419	1,404,488	1,542,308	859	519,335
Total (A) + (B)	40,377,780	_	15,726,048	24,651,732	18,876,452	1,989,919	10,601,641	10,264,730	14,387,002	21,501,328
Previous Year	46,854,411	3,883,581	10,360,212	40,377,780	23,909,336	2,398,261	7,431,145	18,876,452	21,501,328	

Note: Provision for impairment has been made during the year at ₹. 12,176,753/-,being the carrying amount of building (construction on leasehold land) and the same has been shown under the head long term provisions (refer note 20(11)

Notes forming part of Balance Sheet

Note : 9- Non Current Investments

Investments in Equity Instruments

Name of the Body Corporate	Subsidiary /Associate /JV/ Controlled Entity /Others	No. of Shares		Quoted/ Unquoted	Partly Paid/ Fully Paid	Extent of Holding		Whether Stated at Cost	As at 31st March,2017 (Amount in ₹)	As at 31st March,2016 (Amount in ₹)
		2017	2016			2017	2016			
i) Usha Communications Technology Limited, British Virgin Islands	Others	93,96,097	93,96,097	Unquoted	Fully Paid up	15.47	15.47	Cost	5,50,00,000	5,50,00,000
ii) Redtech Network India Private Limited	Associate	5,28,974	5,28,974	Unquoted	Fully Paid up	6.62	6.62	Cost	10,00,00,000	10,00,00,000
iii) Usha Martin Education Private Limited	Subsidiary	5,50,000	5,50,000	Unquoted	Fully Paid up	100	100	Cost	55,00,000	55,00,000
Aggregate Amount of Unquoted Investment									16,05,00,000	16,05,00,000

	As at 31st March, 2017 (Amount in ₹)	As at 31st March, 2016 (Amount in ₹)
Note : 10 - Long Term Loans and Advances		
Security Deposits (Unsecured considered good unless otherwise stated)		
Considered Good	1,372,910	2,997,295
Other Loans and Advances (Recoverable in cash or in kind or for value to be received)		
Prepaid expenses	–	250,000
	1,372,910	3,247,295
Note : 11- Other Non-Current Assets		
Fixed Deposit with Bank	1,177,030	763,821
(with IDBI Bank Ltd. for availing Working Capital Facility)		
Gratuity (Funded with LIC of India)	853,796	1,196,179
	2,030,826	1,960,000
Note : 12 - Trade Receivables		
(Unsecured considered good unless otherwise stated)		
Outstanding for a period exceeding six months		
Considered Good	2,070,298	5,390,154
Considered Doubtful	–	–
	2,070,298	5,390,154
	–	–
	2,070,298	5,390,154
Other Receivables		
Considered Good	–	270,400
Considered Doubtful	–	–
	–	270,400
	2,070,298	5,660,554

Notes forming part of Balance Sheet

		As at 31st March, 2017 (Amount in ₹)		As at 31st March, 2016 (Amount in ₹)
Note : 13 - Cash and Cash Equivalents				
Cash on Hand		3,769		12,831
Balances with Banks		169,688		1,405,544
Remittance in Transit		–		273,737
Fixed Deposit with Bank	1,177,030		763,821	
(with IDBI Bank Ltd. for availing Working Capital Facility)				
Less: Non Current portion transferred to				
Other Non-Current Assets (Ref. Note No. 11)	1,177,030	–	763,821	–
		173,457		1,692,112
Note : 14 - Short Term Loans and Advances				
Other Loans and Advances (Recoverable in Cash or in kind or for value to be received)				
Advance Payment of Taxes(Net of Provisions)		10,417,628		11,096,550
Advance against supplies of Goods and Services		50,000		406,819
Prepaid Expenses		64,876		862,769
Advance /Loans to Employees		2,000		93,921
		10,534,504		12,460,059

Notes forming part of Statement of Profit and Loss

	For the Year Ended 31st March, 2017 (Amount in ₹)	For the Year Ended 31st March, 2016 (Amount in ₹)
Note : 15 - Revenue from Operations		
Income from Learning Business	14,226,081	13,076,018
(Tax deducted at Source ₹. 564,174/- , Previous Year ₹. 428,377/-)		
	14,226,081	13,076,018
Note : 16 - Other Income		
Interest Income on		
Fixed Deposit with Bank	70,232	66,209
(Tax deducted at Source ₹.7,023/- , Previous Year. ₹.6,621/-)		
Income Tax Refund	123,451	–
Income on Planned Assets (Gratuity)	85,660	128,451
Foreign Exchange Fluctuation Gain (Net)	–	97,146
Miscellaneous receipts (Tax deducted at Source ₹. 12,000/-,Previous year ₹. 12,000/-)	649,850	600,000
	929,193	891,806
Note : 17 - Employee Benefit expense		
Salaries and Bonus	7,785,401	11,667,347
Contribution to Provident Fund and other Funds	313,515	1,313,928
Staff Welfare Expenses	121,424	178,758
	8,220,340	13,160,033
Note : 18 - Finance Costs		
(No Borrowing Cost has been Capitalized during the year)		
Interest on Working Capital Loan from Bank	634,342	622,828
Other Borrowing Cost	3,074,651	2,326,925
Others	3,594	13,500
	3,712,587	2,963,253

Notes forming part of Statement of Profit and Loss

		For the Year Ended 31st March, 2017 (Amount in ₹)		For the Year Ended 31st March, 2016 (Amount in ₹)
Note : 19 - Operating and Administrative Expenses				
Travelling and Conveyance		609,683		938,918
Communication		735,293		892,607
Power		311,922		746,430
Maintenance expenses		2,156,356		2,016,579
Rent (Including Lease Rent)		1,238,920		2,552,380
Insurance		131,156		145,462
Computer Consumables		65,245		124,903
Professional and Consultancy charges		3,474,252		6,134,849
Legal & Secreterial		1,016,729		1,087,454
Marketing and Advertisement		343,468		1,249,088
Business Development		4,028		2,245
Printing and Stationery		526,579		671,059
Brokerage and Commission		–		20,000
Hire charges		–		480,000
Registration and Courseware		853,000		2,289,460
Directors Meeting Fees		78,000		58,000
Auditors' Remuneration				
For Statutory Audit	100,000		100,000	
For Tax Audit	25,000	1,25,000	25,000	125,000
Rates and Taxes		40,038		2,500
Loss on Discard of Fixed Assets		3,563,036		2,004,367
Bank Charges		67,941		61,055
Foreign Exchange Fluctuation Loss (Net)		45,840		–
Bad Debts/Sundry Balances written off (Net)		1,343,875		2,141,006
Miscellaneous Expenses		390,687		767,893
		17,121,048		24,511,255

Note 20 : Significant Accounting Policies and Notes on Accounts for the year ended 31st March, 2017

1 SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation of Financial Statement

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

b) Fixed Assets and Depreciation

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

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

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

c) Investments

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

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

d) Revenue Recognition

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

Revenue from operations is accounted for net of Service Tax.

e) Use of estimates

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

Note 20 : Significant Accounting Policies and Notes on Accounts for the year ended 31st March, 2017

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

f) Current and Non Current assets and liabilities

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

(i) It is expected to be realized / settled, or is intended for sale or consumption, in the Company's normal operating cycle:

(ii) It is held primarily for the purpose of being traded:

(iii) It is expected to be realized / due to be settled within twelve months after the reporting date: or

(iv) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date or

(v) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date

g) Foreign Currency Transactions

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

h) Leases

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

i) Employee Benefits

(i) Contribution to employee provident fund is charged to revenue on a monthly basis

(ii) Liability for retrial, gratuity and un-availed earned leave is provided for based on an independent actuarial valuation report as per the requirements of Accounting Standard – 15 (revised) on "Employee Benefits".

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

j) Taxation

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

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

k) Borrowing Cost

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

l) Contingencies

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

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

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

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

3) Foreign Currency Earnings & Outgo:

a) Expenditure in foreign currency :

	2016-17 (₹)	2015-16 (₹)
Listing Fees	183,938	187,643
Travel Expenses	54,201	34,124

Note 20 : Significant Accounting Policies and Notes on Accounts for the year ended 31st March, 2017

b) Earnings in foreign currency:

	2016-17 (₹)	2015-16 (₹)
Management Training, Educational Consultancy, Market Research and Delivery of modules for H & D Business Studies and Computing Studies.	11,207,943	8,477,540

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

i) **Related Parties**

Name	**Relationship**
Usha Martin Education Private Limited	Subsidiary
Usha Martin Limited.	Substantial Interest in voting power of the entity
Usha Breco Education Infrastructure Limited.	- do -
Redtech Network India Private Limited.	- do -
DSI Archer Private Limited	Common Director
Highgate Developers Private Limited	- do -
Jhawar Impact Ventures Private Limited	- do -
Eppix eSolution (India) Private Limited	- do -
Jhawar Venture Mnagement Private Limited	- do -
Usha Martin Ventures Limited	- do -
Pars Consultancy & Services Private Limited	- do -
Peterhouse Investments India Limited	- do -
Debjit Bhattacharya (Whole-time Director)	Key Managerial Personnel(resigned on 04/07/2016)
Vinay Kumar Gupta (Whole-time Director)	Key Managerial Personnel(appointed on 04/07/2016)
Indrajit Bandyopadhyay (Chief Financial officer)	Key Managerial Personnel
R. N. Chakraborty (Company Secretary)	Key Managerial Personnel(resigned on 09/11/2016)
Chaitee Baral (Company Secretary)	Key Managerial Personnel(appointed on 09/11/2016)

ii) Particulars of Transactions during the year ended 31st March, 2017

Particulars	Subsidiaries and Associates (₹)	Key Management Personnel (₹)
Rent Paid (including lease Rent)	48,000 1,841,022	– –
Key Managerial's Personnel's Remuneration	– –	2,856,370 2,996,486
Training Fees	1,618,112 1,145,000	– –
Sale of Fixed Assets	493,980 524,000	– –
Interest Paid	1,524,651 776,925	– –
Reimbursement of Expenses received	1,651,225 1,244,436	– –
Unsecured Loans: Taken during the year Repaid during the year	2,100,000 1,150,000 – –	– – – –
Balances outstanding at the year end	14,723,252	50,778
Investment in Equity and preference Shares	Refer Note No. 9 to Accounts - do -	

Note 20 : Significant Accounting Policies and Notes on Accounts for the year ended 31st March, 2017

Remuneration to Key managerial Personnel's include remuneration of Chief Financial officer, Company Secretary and Whole-Time Director.

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

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

		For the year ended 31st March,2017	For the year ended 31st March,2016
(I)	**Basic**		
(a)	(i) Number of Equity Shares at the beginning of the year	**26,415,811**	26,415,811
	(ii) Number of Equity Shares at the end of the year	**26,415,811**	26,415,811
	(iii) Weighted average number of Equity Shares outstanding during the year	**26,415,811**	26,415,811
	(iv) Face Value of each Equity Share-₹.	**1**	1
(b)	Profit/(Loss) after tax attributable to Equity Shareholders- . ₹. Net Profit/(Loss) after Taxation	**(28,065,373)**	(29,064,978)
	Basic Earning per Share [(b)/(a)(iii)]-₹.	**(1.06)**	(1.10)
(II)	**Diluted**		
	(a) Diluted Potential Equity Shares		
	(b) Diluted Earning per Share [I(b)/I(a)(iii)]-₹.	**(1.06)**	(1.10)

6) Minimum Managerial Remuneration paid/payable

		2016-17		2015-16	
		(₹)	(₹)	(₹)	(₹)
(a)	Key Managerial Personnel's Remuneration:				
	Salary	**904,936**		1009,301	
	Contribution to Provident Fund	**108,592**		121,117	
	Contribution to Gratuity and Superannuation	**43,527**		48,497	
	Other Benefits (actual and/or estimated)	**1,799,315**	**2,856,370**	1,817,571	2,996,486
(b)	Other Directors				
	Directors' Sitting Fees		**78,000**		58,000
			2,934,370		**3,054,486**

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

8) The Company has no amounts due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) as at 31.03.2017. 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 31.03.2017	Nil
f) Interest remaining due and payable as per Section 23 of the Act	Nil

9) Defined Benefit Plans / Long Term Compensated Absences – as per Actuarial Valuations as on March 31, 2017 and recognized in the financial statements in respect of Employee Benefit Schemes

Note 20 : Significant Accounting Policies and Notes on Accounts for the year ended 31st March, 2017

(Amount in ₹)

I. Components Employer Expense	Gratuity (Funded)	Leave Encashment (Unfunded)
1 Current Service Cost	**46,113** 197,907	**19,652** 104,459
2 Interest Cost	**61,769** 68,553	**26,549** 27,766
3 Expected Return on Plan Assets	**(95,674)** (133,946)	**–** –
4 Curtailment Cost / (Credit)	**–** –	**–** –
5 Settlement Cost / (Credit)	**–** –	**–** –
6 Past Service Cost	**–** –	**–** –
7 Actuarial Losses / (Gains)	**(165,233)** 67,570	**(55,974)** 96,837
8 **Total expense recognized in the Statement of Profit & Loss**	**(153,045)** 200,084	**(9,773)** 229,062
II Actuarial Returns for the period ended March, 2017	–	–
III Net Asset / (Liability) recognized in Balance Sheet as at March 31, 2017		
1 Present Value of Defined Benefit Obligation	**291,431** 786,860	**119,583** 338,199
2 Fair Value on Plan Assets	**853,795** 1,196,179	**–** –
3 Status [Surplus/(Deficit)]	**562,364** 409,319	**(119,583)** (338,199)
4 Unrecognised Past Service Cost	**–** –	**–** –
5 Net Asset/(Liability) recognized in Balance Sheet	**562,364** 409,319	**(119,583)** (338,199)

IV Change in Defined Benefit Obligations (DBO) during the year ended March 31, 2017	Gratuity (Funded)	Leave Encashment (Unfunded)
1 Present Value of DBO at the Beginning of Period	**786,860** 878,887	**338,199** 355,974
2 Current Service Cost	**46,113** 197,907	**19,652** 104,459
3 Interest Cost	**61,769** 68,553	**26,549** 27,766
4 Curtailment Cost / (Credit)	**–** –	**–** –
5 Settlement Cost / (Credit)	**–** –	**–** –
6 Plan Amendments	**–** –	**–** –
7 Acquisitions	**–** –	**–** –
8 Actuarial (Gains)/Losses	**(202,590)** 27,055	**(55,974)** 96,837
9 Benefits Paid	**(400,721)** (385,542)	**(208,843)** (246,837)
10 **Present Value of DBO at the End of Period**	**291,431** 786,860	**119,583** 338,199

Note 20 : Significant Accounting Policies and Notes on Accounts for the year ended 31st March, 2017

(Amount in ₹)

V	Change in Fair Value of Assets during the year ended March 31, 2017	Gratuity (Funded)	Leave Encashment (Unfunded)
1	Plan Assets at the Beginning of Period	**1,196,179**	**–**
		1,488,290	–
2	Acquisition Adjustment	**–**	**–**
		–	–
3	Expected Return on Plan Assets	**95,694**	**–**
		133,946	–
4	Actuarial Gains/(Losses)	**(37,357)**	**–**
		(40,515)	–
5	Actual Company Contribution	**–**	**208,843**
		–	246,837
6	Benefits Paid	**(400,721)**	**(208,843)**
		(385,542)	(246,837)
7	**Present Value of DBO at the End of Period**	**853,795**	**–**
		1,196,179	–

VI	Actuarial Assumptions		
1.	Discount Rate (%)	**7.35%**	**7.35%**
2.	Expected Return on Plan Assets (%)	**7.55%**	–

The estimates of future salary increases, considered in actuarial valuations take account of inflation, seniority, Promotion and other relevant factors such as supply and demand factors in the employment market.

Figures in normal font relate to previous year

10) Details of Specified Bank Notes (SBN) held and transacted during the period 08-11-2016 to 30-12-2016 as provided in the Table below:

	SBNs	Other denomination Notes	Totals
Closing cash in hand as on 08.11.2016	-	12,186	12,186
(+) Permitted receipts	-	42,902	42,902
(-) Permitted payments	-	45,707	45,707
(-) Amount deposited in Banks	-	–	–
Closing cash in hand as on 30.12.2016	-	9,381	9,381

11) The land which was taken on lease for which lease rental was being paid @ ₹. 98,000/- p.m. till 31-03-2016 has been taken possession by the lessor during the year on account of closure of the education centre and in view of these developments, no provision for lease rental has been made during the year and the capital expenditures incurred on such leasehold land till 31-03-2017 at the carrying amount i.e., written down value (WDV) at ₹.1,21,76,753/- has been provided by way of impairment of tangible asset being building (on said leasehold land). The said decision has been ratified by the Board of Directors by passing a resolution to this effect in its meeting held on 26th May, 2017.

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

13) Previous year figures have been regrouped / rearranged wherever necessary.

(S.S. Gupta)
Proprietor
Membership No. 17897
For and on behalf of
S.SWARUP & CO.
Chartered Accountants
Firm Registration No. 310089E
Place : Kolkata
Dated : 26th May, 2017

On behalf of the Board

Prashant Jhawar	Chairman
Vinay Kumar Gupta	Whole-time Director
Chaitee Baral	Company Secretary

Cash Flow Statement

	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
	(₹)	(₹)	(₹)	(₹)
A. Cash flow from Operating Activities :				
Net Profit / (Loss) before Taxation		(28,065,373)		(29,064,978)
Adjustments for :				
Depreciation	1,989,919		2,398,261	
Impairment of Tangible Assets	12,176,753			
Profit/(Loss) on Sale of Fixed Assets	3,563,036		2,004,367	
Interest Income	(279,343)		(194,660)	
Finance costs	3,712,587		2,963,253	
Bad Debts/ Sundry balances written off (net)	1,343,875		2,141,006	
Unrealised Foreign Exchange Loss (net)	38,858	22,545,685	24,100	9,336,327
Operating profit before Working Capital changes		(5,519,688)		(19,728,651)
(Increase)/Decrease of Trade and other receivables	4,806,721		13,602,026	
Increase/(Decrease) of Current Liabilities and Other Provisions	(651,133)	4,155,588	(1,160,198)	12,441,828
Cash generated from / (used in) operations		(1,364,100)		(7,286,823)
Direct taxes (paid)/refund (Net)		678,922		(1,510,615)
Net Cash from / (used in) Operating Activities		(685,178)		(8,797,438)
B. Cash flow from Investing Activities :				
Purchase of Fixed Assets			(3,883,581)	
Proceeds from Sale of Assets	1,561,371		924,700	
Interest received from Bank/Others	279,343		194,660	
Net cash used in Investing Activities		1,840,714		(2,764,221)
C. Cash flow from Financing Activities :				
Finance costs	(3,712,587)		(1,125,413)	
Short Term Borrowings	1,038,396		13,313,127	
Net Cash from Financing Activities		(2,674,191)		12,187,714
Net increase / (decrease) in cash and cash equivalents		(1,518,655)		626,055
Cash and Cash Equivalents at the beginning of the year [Refer Note- 13 to Accounts]		1,692,112		1,066,057
Cash and Cash Equivalents at the end of the year [Refer Note- 13 to Accounts]		173,457		1,692,112
		(1,518,655)		626,055

Notes :

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

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

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

Place : Kolkata
Dated : 26th May, 2017

On behalf of the Board

Prashant Jhawar	Chairman
Vinay Kumar Gupta	Whole-time Director
Chaitee Baral	Company Secretary

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF USHA MARTIN EDUCATION & SOLUTIONS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated financial statements of USHA MARTIN EDUCATION & SOLUTIONS LIMITED and its subsidiary, which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at 31st March, 2017, and its Loss and its cash flows for the year ended on that date.

Emphasis on Matter

We draw attention to the matter referred to in Note No. 20(12) of Notes on Accounts to financial statements which refers to provision for impairment of asset of Rs. 1,21,76,753/- being the carrying amount of building constructed on leasehold land, possession of which was taken by the lessor during the year on account of closure of the education centre.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1 .As required by Section 143 (3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors of the holding company as on 31st March, 2017 taken on record by the Board of Directors of the holding company and the report of the statutory auditors of its subsidiary company incorporated in India, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and its subsidiary incorporated in India and the operating effectiveness of such control, refer to our separate report in Annexure.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company and its subsidiary incorporated in India does not have any pending litigations which would impact its financial position.

ii. The Company and its subsidiary incorporated in India did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its Subsidiary Company

iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 20(10) to the financial statements.

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

Place : Kolkata
Date : May 26th, 2017

ANNEXURE TO THE AUDITORS' REPORT

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

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2017, we have audited the internal financial controls over financial reporting of USHA MARTIN EDUCATION & SOLUTIONS LIMITED and its Subsidiary Company which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the holding Company and its subsidiary Company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place : Kolkata
Date : May 26th, 2017

Consolidated Balance Sheet as at 31st March, 2017

Particulars	Note no.	As at 31st March, 2017 (Amount in ₹)	As at 31st March, 2016 (Amount in ₹)
I EQUITY AND LIABILITIES			
1) **Shareholders' Funds**			
(a) Share Capital	1	26,415,811	26,415,811
(b) Reserves and Surplus	2	115,340,169	143,266,250
2) **Non - Current Liabilities**			
(a) Long Term Provisions	3	12,575,838	1,045,193
3) **Current Liabilities**			
(a) Short Term Borrowings	4	28,640,777	27,602,381
(b) Trade Payables	5	5,509,172	5,843,113
(c) Other Current Liabilities	6	6,855,009	7,197,114
(d) Short Term Provisions	7	11,929	79,866
	TOTAL	195,348,705	211,449,728
II ASSETS			
1) **Non - Current Assets**			
(a) Fixed Assets	8		
(i) Tangible Assets		14,386,143	20,981,993
(ii) Intangible Assets		859	519,335
(b) Non-Current Investments	9	155,000,000	155,000,000
(c) Long Term Loans and Advances	10	1,440,446	3,333,376
(d) Other Non- Current Assets	11	2,030,826	1,960,000
2) **Current Assets**			
(a) Trade Receivables	12	2,070,298	5,660,554
(b) Cash and Cash Equivalents	13	179,197	2,818,574
(c) Short Term Loans and Advances	14	20,240,936	21,175,896
	TOTAL	195,348,705	211,449,728
Significant Accounting Policies and Notes on Accounts	20		

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

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

Place : Kolkata
Dated : 26th May, 2017

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

On behalf of the Board

Prashant Jhawar	Chairman
Vinay Kumar Gupta	Whole-time Director
Chaitee Baral	Company Secretary

Consolidated Statement of Profit & Loss for the Year Ended 31st March, 2017

	Particulars	Note no.	For the Year Ended 31st March, 2017 (Amount in ₹)	For the Year Ended 31st March, 2016 (Amount in ₹)
I	**Revenue**			
	Revenue from Operations	15	14,476,081	14,076,018
	Other Income	16	1,832,004	1,540,423
II	**Total Revenue**		16,308,085	15,616,441
III	**Expenses**			
	Employee Benefit Expense	17	8,741,442	13,998,576
	Finance Costs	18	3,712,587	2,963,253
	Depreciation and Amortization Expense		1,989,919	2,398,261
	Operating and Administrative Expenses	19	17,548,453	25,081,811
IV	**Total Expenses**		31,992,401	44,441,901
V	Profit / (Loss) before Exceptional items and Tax			
	Exceptional items		(15,684,316)	(28,825,460)
	Impairment of Tangible Assets		12,176,753	–
VI	**Profit before Tax**		(27,861,069)	(28,825,460)
VII	Tax Expense:			
	Current Tax		63,000	72,000
	Earlier Year Tax		2,012	–
VII	**Profit / (Loss) after tax**		(27,926,081)	(28,897,460)
	Earnings per Equity Share:			
	(1) Basic		(1.06)	(1.09)
	(2) Diluted		(1.06)	(1.09)
	Significant Accounting Policies and Notes onAccounts	20		

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

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

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

Place : Kolkata
Dated :26th May, 2017

On behalf of the Board

Prashant Jhawar	Chairman
Vinay Kumar Gupta	Whole-time Director
Chaitee Baral	Company Secretary

Notes forming part of Consolidated Balance Sheet

		As at 31st March, 2017 (Amount in ₹)		As at 31st March, 2016 (Amount in ₹)
Note : 1 - SHARE CAPITAL				
a) Authorised				
200,000,000 Equity Shares of ₹ 1/- each (Previous year 200,000,000 Equity Shares of ₹ 1/- each)	200,000,000		200,000,000	
1,000,000 10.75% Cumulative Redeemable Preference Shares of ₹ 50/- each	50,000,000		50,000,000	
		250,000,000		250,000,000
b) Issued, Subscribed and Paid-up				
26,415,811 Equity Shares of ₹ 1/- (Previous year 26,415,811Equity Shares of ₹ 1/- each)		26,415,811		26,415,811
		26,415,811		26,415,811

Note :

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

c) There has been no Movement in number of shares outstanding at the beginning and at the end of reporting period.

d) The Company has only one class of issued shares i.e. ordinary equity shares having par value of ₹. 1 per share. Each holder of ordinary shares is entitled to one vote per share and equal right for dividend. No preference and/or restrictions on distribution of dividend and repayment of capital is attached to the above shares.

e) Usha Martin Education Private Limited is the only subsidiary of the Company and it is not holding any shares in the Company

f) Shares in the Company held by each shareholder holding more than 5% as on balance sheet date

Name of the shareholders	No. of Equity Shares as on 31.03.2017	% of Equity Shares as on 31.03.2017	No. of Equity Shares as on 31.03.2016	% of Equity Shares as on 31.03.2016
UMIL Share & Stock Broking Services Ltd	30,75,127	11.64	30,75,127	11.64
Peterhouse Investment India Limited	29,68,718	11.24	29,68,718	11.24
Peterhouse Investment Limited	23,88,291	9.04	23,88,291	9.04
Prajeev Investments Limited	20,57,610	7.79	20,57,610	7.79
Deutsche Bank Trust Company Americas	17,99,455	6.81	17,99,455	6.81

g) There are no shares reserved for issue under option and contracts /commitments for sale of shares /disinvestment as at the Balance Sheet date.

h) i) No shares have been allotted or has been bought back by the Company during the period of five years preceding the date as at which the Balance Sheet is prepared.

ii) No convertible securities have been issued by the Company during the year.

iii) No calls are unpaid by any Director and Officer of the Company during the year.

Notes forming part of Consolidated Balance Sheet

	As at 31st March, 2017 (Amount in ₹)	As at 31st March, 2016 (Amount in ₹)
Note : 2 - RESERVE AND SURPLUS		
Securities Premium Account		
As per last Account	1,20,249	1,20,249
	1,20,249	1,20,249
General Reserve Account (see note below)		
As per last Balance Sheet	143,146,001	172,043,461
Add: Transfer from Statement of Profit & Loss	(27,926,081)	(28,897,460)
	115,219,920	143,146,001
	115,340,169	143,266,250

Note: General Reserves are free Reserves or undistributed profits and created out of appropriation of profits. The Reserves are created based on the financial policy of the Company and discretion of the management. The reserves can be utilized for any general purpose of the business which may include, meeting future liabilities or losses, strengthening the financial position of the business/expansion of business etc.

Note : 3 - Long Term Provisions		
Provision for Impairment of Assets	12,176,753	–
Provision for Employee benefit		
- Gratuity (Funded)	283,164	718,016
- Leave Encashment (Un-funded)	115,921	327,177
	12,575,838	1,045,193
Note : 4 - Short Term Borrowings		
Secured : IDBI Overdraft Account (Secured against hypothecation of current and movable fixed assets, both present and future and ranking pari passu with the existing lenders for their loans. Also collaterally secured by Escrow account and lien on Fixed Deposit together with future interest)	4,940,777	4,852,381
Unsecured : Loans from corporate bodies	23,700,000	22,750,000
	28,640,777	27,602,381
Note : 5 - Trade Payables		
For Supplies / Services	3,575,015	3,930,848
Accrued Expenses	1,934,156	1,912,265
	5,509,171	5,843,113
Note : 6 - Other Current Liabilities		
Advance Received from Customers	–	8,000
Uearned Revenue	–	470,564
Other Payables		
Statutory Dues	442,691	949,979
Interest on Unseceured Loan	4,328,985	1,837,840
Capital Goods	347,893	618,343
Employees related liabilities	1,735,440	3,312,388
Other Liabilities	–	–
	6,855,009	7,197,114
Note : 7 - Short Term Provisions		
Provision for Employee benefit		
- Gratuity (Funded)	8,267	68,844
- Leave Encashment (Un-funded)	3,662	11,022
	11,929	79,866

Notes forming part of Consolidated Balance Sheet

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

(Amount in ₹)

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
Description	Balance as at 31st March, 2016	Additions	Sales / Adjustments during the year	Balance as at 31st March, 2017	As at 31st March, 2016	Depreciation Charges for the Year	Sales / Adjustments during the year	Balance as at 31st March, 2017	Balance as at 31st March, 2017	Balance as at 31st March, 2016
A. Tangible Assets										
Building	13,472,826	_	_	**13,472,826**	1,083,086	212,987	_	**1,296,073**	**12,176,753**	12,389,740
Plant and Equipment	8,848,428	_	5,678,676	**3,169,752**	7,976,537	225,659	5,473,002	2,729,194	440,558	871,891
Office Equipment	3,554,530	_	1,486,693	**2,067,837**	2,012,592	265,280	689,819	**1,588,053**	**479,784**	1,541,938
Furniture & Fixtures	9,259,220	_	6,794,727	**2,464,493**	3,719,207	891,698	3,005,421	**1,605,484**	**859,009**	5,540,013
Vehicles	1,961,064	_	27,407	**1,933,657**	1,322,653	209,876	28,911	**1,503,618**	**430,039**	638,411
	37,096,068	_	13,987,503	**23,108,565**	**16,114,075**	**1,805,500**	**9,197,153**	**8,722,422**	**14,386,143**	**20,981,993**
B. Intangible Assets										
Software	3,281,712	_	1,738,545	**1,543,167**	2,762,377	184,419	**1,404,488**	**1,542,308**	**859**	519,335
	3,281,712	_	**1,738,545**	**1,543,167**	**2,762,377**	184,419	**1,404,488**	**1,542,308**	**859**	**519,335**
	40,377,780	_	15,726,048	**24,651,732**	**18,876,452**	**1,989,919**	**10,601,641**	**10,264,730**	**14,387,002**	**21,501,328**
Previous Year	**46,854,411**	3,883,581	10,360,212	40,377,780	23,909,336	2,398,261	7,431,145	18,876,452	21,501,328	

Note: Provision for impairment has been made during the year at ₹. 12,176,753/-,being the carrying amount of building (construction on leasehold land) and the same has been shown under the head long term provisions (refer note 20(11)

Notes forming part of Consolidated Balance Sheet

Note : 9- Non Current Investments

Name of the Body Corporate	Subsidiary /Associate /JV/ Controlled Entity /Others	No. of Shares		Quoted/ Unquoted	Partly Paid/ Fully Paid	Extent of Holding		Whether Stated at Cost	As at 31st March,2017 (Amount in ₹)	As at 31st March,2016 (Amount in ₹)
		2017	2016			2017	2016			
i) Usha Communications Technology Limited, British Virgin Islands	Others	93,96,097	93,96,097	Unquoted	Fully Paid up	15.47	15.47	Cost	5,50,00,000	5,50,00,000
ii) Redtech Network India Private Limited	Associate	5,28,974	5,28,974	Unquoted	Fully Paid up	6.62	6.62	Cost	10,00,00,000	10,00,00,000
iii) Usha Martin Education Private Ltd. (Representating 100% of the investment in Subsidiary Company)				Unquoted	Fully Paid up			Cost	–	–
Aggregate Amount of Unquoted Investment									15,50,00,000	15,50,00,000

Note : 10 - Long Term Loans and Advances	As at 31st March, 2017 (Amount in ₹)	As at 31st March, 2016 (Amount in ₹)
Security Deposits (Unsecured considered good unless otherwise stated)		
Considered Good	1,372,910	2,997,295
MAT Credit Entilement	67,536	86,081
Other Loans and Advances (Recoverable in cash or in kind or for value to be received)		
Prepaid expenses	–	250,000
	1,440,446	3,333,376
Note : 11- Other Non-Current Assets		
Fixed Deposit with Bank	1,177,030	763,821
(With IDBI Bank Ltd. for availing Working Capital Facility)		
Gratuity (Funded with LIC of India)	853,796	1,196,179
	2,030,826	1,960,000
Note : 12 - Trade Receivables		
(Unsecured considered good unless otherwise stated)		
Outstanding for a period exceeding six months		
Considered Good	2,070,298	5,390,154
Considered Doubtful	–	–
	2,070,298	5,390,154
Provision for doubtful receivables	–	–
	2,070,298	5,390,154
Other Receivables		
Considered Good	–	270,400
Considered Doubtful	–	–
	–	270,400
	2,070,298	5,660,554

Notes forming part of Consolidated Balance Sheet

		As at 31st March, 2017 (Amount in ₹)		As at 31st March, 2016 (Amount in ₹)
Note : 13 - Cash and Cash Equivalents				
Cash on Hand		4,896		16,482
Balances with Banks		174,301		2,528,355
Remittance in Transit		–		273,737
Fixed Deposit with Bank	1,177,030		763,821	
(with IDBI Bank Ltd. for availing Working Capital Facility)				
Less: Non Current portion transferred to				
Other Non-Current Assets (Ref. Note No. 11)	1,177,030	–	763,821	–
		179,197		2,818,574
Note : 14 - Short Term Loans and Advances				
Other Loans and Advances (Recoverable in Cash or in kind or for value to be received)				
Intercorporate Deposites		7,500,000		7,500,000
Advance Payment of Taxes		11,533,142		12,282,880
Advance against supplies of Goods and Services		50,000		406,819
Prepaid Expenses		64,877		862,769
Advance /Loans to Employees		2,000		93,921
Interest Receivable		839,507		29,507
Balances with Government Authorities		251,410		–
		20,240,936		21,175,896

Notes forming part of the Consolidated Statement of Profit and Loss

	For the Year Ended 31st March, 2017 (Amount in ₹)	For the Year Ended 31st March, 2016 (Amount in ₹)
Note : 15 - Revenue from Operations		
Income from Learning Business	14,476,081	14,076,018
(Tax deducted at Source ₹. 589,174/- , Previous Year ₹. 528,377/-)		
	14,476,081	14,076,018
Note : 16 - Other Income		
Interest Income on		
Fixed Deposit with Bank	70,232	682,040
(Tax deducted at Source ₹. 7,023/- , Previous Year. ₹. 65,027/-)		
Others (Tax deducted at Source ₹.90,000/-, Previous Year ₹. 3,279/-)	1,023,451	32,786
Income on Planned Assets (Gratuity)	85,660	128,451
Foreign Exchange Fluctuation Gain (Net)	–	97,146
Miscllaneous Receipts (Tax deducted at Source ₹.12,000/- ,Previous Year ₹.12,000/-)	652,661	600,000
	1,832,004	1,540,423
Note : 17 - Employee Benefit expenses		
Salaries and Bonus	8,306,503	12,505,890
Contribution to Provident Fund and other Funds	313,515	1,313,928
Staff Welfare Expenses	121,424	178,758
	8,741,442	13,998,576
Note : 18 - Finance Costs		
(No Borrowing Cost has been Capitalized during the year)		
Interest on Working Capital Loan from Bank	634,342	622,828
Other Borrowing Cost	3,074,651	2,326,925
Others	3,594	13,500
	3,712,587	2,963,253

Notes forming part of the Consolidated Statement of Profit and Loss

		For the Year Ended 31st March, 2017 (Amount in ₹)		For the Year Ended 31st March, 2016 (Amount in ₹)
Note : 19 - Operating and Administrative Expenses				
Travelling and Conveyance		609,683		9,38,918
Communication		735,293		8,92,607
Power		311,922		7,46,430
Maintenance expenses		2,156,356		20,16,579
Rent (Including Lease Rent)		1,238,920		25,52,380
Insurance		131,156		1,45,462
Computer Consumables		65,245		1,24,903
Professional and Consultancy charges		3,630,428		63,69,493
Legal & Secreterial		1,016,729		10,87,454
Marketing and Advertisement		343,468		12,49,088
Business Development		4,028		2,245
Printing and Stationery		527,157		6,71,059
Brokerage and Commission		–		20,000
Hire charges		–		4,80,000
Registration and Courseware		853,000		22,89,460
Directors Meeting Fees		78,000		58,000
Auditors' Remuneration	110,000		110,000	
For Statutory Audit	25,000		25,000	
For Tax Audit		135,000		135,000
Rates and Taxes		55,182		6,900
Loss on Discard of Fixed Assets		3,563,036		20,04,367
Bank Charges		70,191		75,647
Foreign Exchange Fluctuation Loss (Net)		45,840		–
Bad Debts/Sundry Balances written off (Net)		1,343,875		21,41,006
Miscellaneous Expenses		633,944		10,74,813
		17,548,453		25,081,811

Note 20 : Significant Accounting policies and Notes on Accounts for the year ended 31st March, 2017

1 SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

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

b) The Company has one subsidiary Company named Usha Martin Education Private Limited which has been considered in the preparation of these consolidated financial statements.

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

a) **Consolidation**

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

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

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

Note 20 : Significant Accounting policies and Notes on Accounts for the year ended 31st March, 2017

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

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

b) **Fixed Assets and Depreciation**

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

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

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

c) **Investments**

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

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

d) **Revenue Recognition**

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

Revenue from operations is accounted for net of Service Tax.

e) **Use of estimates**

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

f) **Current and Non-Current assets and liabilities**

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

(i) It is expected to be realized / settled, or is intended for sale or consumption, in the Company's normal operating cycle:

(ii) It is held primarily for the purpose of being traded:

(iii) It is expected to be realized / due to be settled within twelve months after the reporting date: or

(iv) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date or

(v) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

g) **Foreign Currency Transactions**

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

h) **Leases**

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

i) **Employee Benefits**

(i) Contribution to employee provident fund is charged to revenue on a monthly basis

(ii) Liability for retrial, gratuity and un-availed earned leave is provided for based on an independent actuarial valuation report as per the requirements of Accounting Standard – 15 (revised) on "Employee Benefits".

Note 20 : Significant Accounting policies and Notes on Accounts for the year ended 31st March, 2017

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

j) Taxation

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

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

k) Borrowing Cost

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

l) Contingencies

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

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

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

3) During the year, the Company has utilized its working capital facility (Overdraft) of ₹50 Laks 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

4) Foreign Currency Earnings & Outgo:

a) Expenditure in foreign currency:

	2016-17 (₹)	2015-16 (₹)
Listing Fees	183,938	187,643
Travel Expenses	54,201	34,124

b) Earnings in foreign currency:

	2016-17 (₹)	2015-16 (₹)
Management Training, Educational Consultancy, Market Research and Delivery of modules for H & D Business Studies and Computing Status.	11,207,943	8,477,540

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

(i) **Related Parties**

Name	Relationship
Usha Martin Education Private Limited.	- do -
Usha Martin Limited.	Subsitantial interest in Voting power of the entity
Usha Breco Edutional Infrastructure Limited	- do -
Redtech Network India Private Limited.	- do -
DSI archer Private Limited.	Common Director
Highgate Developers Private Limited	- do -
Jhawar Impact Ventures Private Limited.	- do -
Eppix eSolution (India) Private Limited	- do -
Jhawar Venture Management Private Limited.	- do -
Usha Martin Ventures Limited.	- do -
Pars Consultancy & Services Private Limited.	- do -
Peterhouse Investments India Limited.	- do -
Rahul Chaudhary	Key Managerial Personnel
Debjit Bhattacharya	Key Managerial Personnel
Ravindra Kumar Goenka	Key Managerial Personnel
Vinay Kumar Gupta (Whole-time Director)	Key Managerial Personnel

Note 20 : Significant Accounting policies and Notes on Accounts for the year ended 31st March, 2017

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

(i) Related Parties

Name	Relationship
Indrajit Bandyopadhyay (Chief Financial Officer)	Key Managerial Personnel
R. N.Chakraborty (Company Secretary)	Key Managerial Personnel(resigned on 09/11/2016)
Chaitee Baral(Company Secretary)	Key Managerial Personnel(appointed on 09/11/2016)

ii) Particulars of Transactions during the year ended 31st March, 2017

Particulars	Subsidiaries and Associates (₹)	Key Managerial Personnel (₹)
Rent Paid (including lease Rent)	48,000	–
	1,841,022	–
Key Managerial's Personnel's Remuneration	–	2,856,370
	–	2,996,486
Training Fees	1,618,112	
	1,145,000	
Sale of Fixed Assets	493,980	
	524,000	
Interest Paid	1,524,651	
	776,925	
Reimbursement of Expenses received	1,651,225	
	1,244,436	
Unsecured Loans :		
Taken during the year	2,100,000	
Repaid during the year	1,150,000	
	–	
	–	
Balances outstanding at the year end	14,723,252	50,778
Investment in Equity and Preference Shares	Refer Note No. 9 to Accounts	
	-do-	

Remuneration to Key managerial Personnel's include remuneration of Chief Financial officer,Company Secretary and Whole-Time Director.

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

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

		For the year ended 31st March,2015	For the year ended 31st March,2014
(I)	**Basic**		
(a)	(i) Number of Equity Shares at the beginning of the year	26,415,811	26,415,811
	(ii) Number of Equity Shares at the end of the year	26,415,811	26,415,811
	(iii) Weighted average number of Equity Shares outstanding during the year	26,415,811	26,415,811
	(iv) Face Value of each Equity Share-₹.	1	1
(b)	Profit/(Loss) after tax attributable to Equity Shareholders-₹.		
	Net Profit/(Loss) after Taxation	(27,926,081)	(28,897,460)
	Basic Earning per Share [(b)/(a)(iii)]-₹.	(1.06)	(1.09)
(II)	**Diluted**		
(a)	Diluted Potential Equity Shares	–	–
(b)	Diluted Earning per Share [I(b)/I(a)(iii)]-₹.	(1.06)	(1.09)

Note 20 : Significant Accounting policies and Notes on Accounts for the year ended 31st March, 2017

7) Minimum Managerial Remuneration paid/payable

		2016 - 17		2015 - 16	
		(₹)	(₹)	(₹)	(₹)
(a)	Key Managerial Personnel's Remuneration:				
	Salary	**904,936**		1,009,301	
	Contribution to Provident Fund	**108,592**		121,117	
	Contribution to Gratuity and Superannuation	**43,527**		48,497	
	Other Benefits (actual and/or estimated)	**1,799,315**	**2,856,370**	1,817,571	2,996,486
(b)	Other Directors				
	Directors' Sitting Fees		**78,000**		58,000
			2,934,370		3,054,486

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

9) The Company has no amounts due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) as at 31.03.2017. 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 31.03.2017	Nil
f) Interest remaining due and payable as per Section 23 of the Act	Nil

10) Defined Benefit Plans / Long Term Compensated Absences – as per Actuarial Valuations as on March 31, 2017 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	**46,113** 197,907	**19,652** 104,459
2 Interest Cost	**61,769** 68,553	**26,549** 27,766
3 Expected Return on Plan Assets	**(95,674)** (133,946)	**–** –
4 Curtailment Cost / (Credit)	**–** –	**–** –
5 Settlement Cost / (Credit)	**–** –	**–** –
6 Past Service Cost	**–** –	**–** –
7 Actuarial Losses / (Gains)	**(165,233)** 67,570	**(55,974)** 96,837
8 **Total expense recognized in the Statement of Profit & Loss**	**(153,045)** 200,084	**(9,773)** 229,062

Note 20 : Significant Accounting policies and Notes on Accounts for the year ended 31st March, 2017

(Amount in ₹)

		Gratuity (Funded)	Leave Encashment (Unfunded)
II	Actuarial Returns for the year ended March, 2017	–	–
III	Net Asset / (Liability) recognized in Balance Sheet as at March 31, 2017		
1	Present Value of Defined Benefit Obligation	**291,431** 786,860	**119,583** 338,199
2	Fair Value on Plan Assets	**853,795** 1,196,179	**–** –
3	Status [Surplus/(Deficit)]	**562,364** 409,319	**(119,583)** (338,199)
4	Unrecognised Past Service Cost	**–** –	**–** –
5	Net Asset/(Liability) recognized in Balance Sheet	**562,364** 409,319	**(119,583)** (338,199)

(Amount in ₹)

		Gratuity (Funded)	Leave Encashment (Unfunded)
IV	Change in Defined Benefit Obligations (DBO) during the year ended March 31, 2017		
1	Present Value of DBO at the Beginning of Period	**786,860** 878,887	**338,119** 355,974
2	Current Service Cost	**46,113** 197,907	**19,652** 104,459
3	Interest Cost	**61,769** 68,553	**26,549** 27,766
4	Curtailment Cost / (Credit)	**–** –	**–** –
5	Settlement Cost / (Credit)	**–** –	**–** –
6	Plan Amendments	**–** –	**–** –
7	Acquisitions	**–** –	**–** –
8	Actuarial (Gains)/Losses	**(202,590)** 27,055	**55,974** 96,837
9	Benefits Paid	**(400,721)** (385,542)	**(208,843)** (246,837)
10	**Present Value of DBO at the End of Period**	**291,431** 786,860	**119,583** 338,199

Note 20 : Significant Accounting policies and Notes on Accounts for the year ended 31st March, 2017

(Amount in ₹)

V Change in Fair Value of Assets during the year ended March 31, 2017	Gratuity (Funded)	Leave Encashment (Unfunded)
1 Plan Assets at the Beginning of Period	**1,196,179** 1,488,290	– –
2 Acquisition Adjustment	– –	– –
3 Expected Return on Plan Assets	**95,694** 133,946	– –
4 Actuarial Gains/(Losses)	**(37,357)** (40,515)	– –
5 Actual Company Contribution	– –	**208,843** 246,837
6 Benefits Paid	**(400,721)** (385,542)	**(208,843)** (246,837)
7 **Present Value of DBO at the End of Period**	**853,795** 1,196,179	– –

VI Actuarial Assumptions		
1. Discount Rate (%)	7.35%	7.35%
2. Expected Return on Plan Assets (%)	7.55%.	–
The estimates of future salary increases, considered in actuarial valuations take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.		

Figures in normal font relate to previous year

11) Details of Specified Bank Notes (SBN) held and transacted during the period 08-11-2016 to 30-12-2016 as provided in the Table below:

	SBNs	Other denomination Notes	Totals
Closing cash in hand as on 08.11.2016	-	12,186	12,186
(+) Permitted receipts	-	42,902	42,902
(-) Permitted payments	-	45,707	45,707
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	9,381	9,381

12) The land which was taken on lease for which lease rental was being paid @ ₹. 98,000/- p.m. till 31-03-2016 has been taken possession by the lessor during the year on account of closure of the education centre and in view of these developments, no provision for lease rental has been made during the year and the capital expenditures incurred on such leasehold land till 31-03-2017 at the carrying amount i.e., written down value (WDV) at ₹.1,21,76,753/- has been provided by way of impairment of tangible asset being building (on said leasehold land). The said decision has been ratified by the Board of Directors by passing a resolution to this effect in its meeting held on 26th May, 2017.

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

14) Previous year figures have been regrouped / rearranged wherever necessary.

(S.S. Gupta)
Proprietor
Membership No. 17897
For and on behalf of
S.SWARUP & CO.
Chartered Accountants
Firm Registration No. 310089E
Place : Kolkata
Dated : 26th May, 2017

On behalf of the Board

Prashant Jhawar	Chairman
Vinay Kumar Gupta	Whole-time Director
Chaitee Baral	Company Secretary

Consolidated Cash Flow Statement

	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
	(₹)	(₹)	(₹)	(₹)
A. Cash flow from Operating Activities :				
Profit after Non- recurring Items and before Taxation		(27,861,069)		(28,825,460)
Adjustments for :				
Depreciation	1,989,919		2,398,261	
Impairment of Tangible Assets	12,176,753		–	
Profit/(Loss) on Sale of Fixed Assets	3,563,036		2,004,367	
Interest Income	(1,179,343)		(843,277)	
Finance costs	3,712,587		2,963,253	
Bad Debts/ Sundry balances written off	1,343,875		2,141,006	
Unrealsed Foreigvn Exchange Loss (net)	38,858	21,645,685	24,101	8,687,711
Operating profit before Working Capital changes		(6,215,384)		(20,137,749)
(Increase)/Decrease of Trade and other receivables	3,312,825		13,556,136	
Increase/(Decrease) of Current Liabilities and Other Provisions	(488,067)	2,824,758	(1,157,138)	12,398,998
Cash generated from operations		(3,390,626)		(7,738,751)
Direct taxes (paid)/refund (Net)		684,726		(1,672,300)
Net Cash Flow from Operating Activities		(2,705,900)		(9,411,451)
B. Cash flow from Investing Activities :				
Purchase of Fixed Assets			(3,883,581)	
Proceeds from Fixed Deposit	–		9,134,713	
Reinvestment of Fixed Deposit	–		(557,425)	
Intercorporate Deposit	–		(7,500,000)	
Proceeds from Sale of Assets	1,561,371		924,700	
Interest received from Bank/Others	1,179,343		843,277	
Net cash used in Investing Activities		2,740,714		(1,038,316)
C. Cash flow from Financing Activities :				
Finance costs	(3,712,587)		(1,125,413)	
Short Term Borrowings	1,038,396		13,313,127	
Net Cash used in Financing Activities		(2,674,191)		12,187,714
Net increase in cash and cash equivalents during the year (A+B+C)		(2,639,377)		1,738,347
Cash and Cash Equivalents at the beginning of the year [Refer Note- 13 to Accounts]		2,818,574		1,080,227
Cash and Cash Equivalents at the end of the year [Refer Note- 13 to Accounts]		179,197		2,818,574
		(2,639,377)		1,738,347

Notes :

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

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

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

Place : Kolkata
Dated : 26th May, 2017

On behalf of the Board

Prashant Jhawar	Chairman
Vinay Kumar Gupta	Whole-time Director
Chaitee Baral	Company Secretary