

R. S. RAY & ASSOCIATES

Chartered Accountants

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TO THE MEMBERS OF
USHA MARTIN EDUCATION PRIVATE LIMITED

We have audited the accompanying financial statements of USHA MARTIN EDUCATION PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

b) in the case of the Statement of Profit and Loss, of the profit / loss for the year ended on that date; and



c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

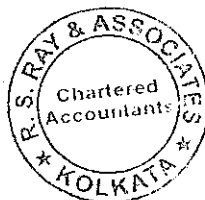
b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books

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

d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.



Date: 26th May 2014
Kolkata

For R.S. Ray & Associates
Chartered Accountants
FRN: 320244E

A handwritten signature in black ink, appearing to be "Chandi Prosad Bagchi".

Chandi Prosad Bagchi
(Partner)
Membership No. : 052626

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of USHA MARTIN EDUCATION PRIVATE LIMITED on the accounts of the company for the year ended 31st March, 2014.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us, there were disposal of all fixed asset (under a slump sale) during the year but that does not affect the going concern assumption.
2. (a) As explained to us and according to the information and explanation given to us, the company does not keep any inventory. So, the requirements for physical verification of inventory [clause (a), (b) and (c)] are not applicable to the company.
3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.
- (e) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Thus sub clauses (f) & (g) are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of services. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- b) As per information & explanations given to us and in our opinion, the transaction entered into by the company with parties covered u/s 301 of the Act does not exceeds five lacs rupees in a financial year therefore requirement of reasonableness of transactions does not arises.



6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Act.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. As per information & explanation given by the management, maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act.
9. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2014 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
10. The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. According to information and explanations given to us, the Company is not dealing in any Shares, Mutual Funds or other Investments.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
16. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2014, we report that no funds raised on short-term basis have been used for long-term investment by the Company.



18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.

19. The Company has no outstanding debentures during the period under audit.

20. The Company has not raised any money by public issue during the year.

21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

Date: 26th May 2014
Kolkata



For R.S. Ray & Associates
Chartered Accountants
FRN:320244E

A handwritten signature in black ink, appearing to be "Chandi Prosad Bagchi".

Chandi Prosad Bagchi
(Partner)
Membership No. : 052626

USHA MARTIN EDUCATION PRIVATE LIMITED

Balance Sheet as at 31st March, 2014

(Amount in Rs.)

Particulars	Note no.	As at 31.03.2014	As at 31.03.2013
I EQUITY AND LIABILITIES			
1) Shareholders' Funds			
(a) Share Capital	1.1	5,500,010	5,500,010
(b) Reserves and Surplus	1.2	4,247,121	1,046,624
2) Non - Current Liabilities			
(a) Long Term Provisions	1.3	-	173,602
3) Current Liabilities			
(a) Trade Payables	1.4	30,000	6,107,170
(b) Other Current Liabilities	1.5	4,494	350,224
(c) Short Term Provisions	1.6	-	3,133
TOTAL		9,781,625	13,180,763
II ASSETS			
1) Non - Current Assets			
(a) Fixed Assets	1.7		
(i) Tangible Assets		-	5,913,809
(ii) Intangible Assets		-	535,561
		-	6,449,370
(b) Long Term Loans & Advances	1.8	202,581	-
(c) Other Non- Current Assets	1.9	7,981,530	539,865
2) Current Assets			
(a) Trade Receivables	2.0	-	2,760,731
(b) Cash and Cash Equivalents	2.1	64,670	577,037
(c) Short Term Loans and Advances	2.2	1,199,907	2,520,824
(d) Other Current Assets	2.3	332,937	332,936
TOTAL		9,781,625	13,180,763

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

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

On behalf of the Board

For R.S.Ray & Associates

Chartered Accountants

Chandi Prosad Bagchi

Partner

Membership No: 052626

Kolkata

Dated: 26th day of May, 2014



[Signature]
Director

[Signature]
Director

USHA MARTIN EDUCATION PRIVATE LIMITED

Statement of Profit and Loss for the year ended 31st March, 2014

(Amount in Rs.)

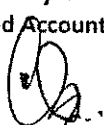
Particulars	Note no.	For the year ended 31.03.2014	For the year ended 31.03.2013
Revenue			
I Revenue from Operations	2.4	6,114,254	38,100,000
II Other Income	2.5	3,710,231	370,943
III Total Revenue		9,824,485	38,470,943
IV Expenses			
Employee Benefit Expenses	2.6	2,669,493	6,862,849
Depreciation and Amortization Expenses	1.7	165,151	840,132
Operating and Administrative Expenses	2.7	3,286,196	30,250,997
Total Expenses		6,120,840	37,953,978
V Profit before Tax		3,703,645	516,965
VI Tax Expense: Current Tax		503,148	100,000
VII Profit (Loss) for the period		3,200,497	416,965
Earnings per Equity Share:			
(1) Basic		5.82	0.76
(2) Diluted		5.82	0.76

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

On behalf of the Board

For R.S.Ray & Associates

Chartered Accountants



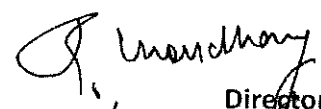
Chandi Prosad Bagchi

Partner

Membership No: 052626

Kolkata

Dated: 26th day of May, 2014

Director



Director

USHA MARTIN EDUCATION PRIVATE LIMITED

Notes forming part of Balance Sheet

(Amount in Rs.)

NOTE : 1.1- SHARE CAPITAL

- a) The Company has authorized equity share capital of 5,000,000 (Previous year 5,000,000 of Rs. 10 each) of Rs. 10 each
- b) No. of shares issued, subscribed and fully paid up and Par Value of Each Share :
- 550,001 No. of Equity Shares of Rs. 10 each (Previous Year 550,001 No. of Equity Share of Rs. 10 each)
- c) There has been no Movement in No. of shares outstanding at the beginning and at the end of reporting period.
(There has been no Movement in No. of shares outstanding at the beginning and at the end of previous reporting period.)
- d) The Company has only one class of issued shares i.e. ordinary equity shares having par value of Rs. 10 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) The entire Equity Shares of the Company are held by its holding Company Usha Martin Education & Solutions Limited, except 1 share which is held by erstwhile Director of the Company

NOTE : 1.2- Reserve and Surplus

As at 31.03.2014 As at 31.03.2013

Surplus in the Statement of Profit & Loss

As per previous Financial Statement

1,046,624 629,659

Add: Profit for the year

3,200,497 416,965

4,247,121 1,046,624

NOTE : 1.3- Long Term Provisions

Provision for Compensated absence

- Leave Encashment (Un-funded)

- 62,590

- Gratuity (Funded)

- 111,012

- 173,602

NOTE : 1.4- Trade Payables

Other than Acceptance

For Micro and Small Enterprises

- -

For Goods / Services

- 3,708,803

Employees related liabilities

- 17,311

Accrued Expenses

30,000 2,381,056

30,000 6,107,170



USHA MARTIN EDUCATION PRIVATE LIMITED

Notes forming part of Balance Sheet

(Amount in Rs.)

As at 31.03.2014 As at 31.03.2013

NOTE : 1.5- Other Current Liabilities

Other Payables

Statutory Dues

4,494 197,956

Payable on purchase of Fixed Assets

- 152,268

4,494 350,224

NOTE : 1.6- Short Term Provisions

Provision for Compensated absence

- Leave Encashment (Un-funded)

- 2,693

- Provision for Gratuity

- 440

- 3,133

NOTE : 1.8- Long Term Loans & Advances

MAT Credit Entitlement

202,581 -

202,581 -

NOTE : 1.9- Other Non-Current Assets

Fixed Deposit

7,981,530 -

Unamortised Expenses

Pre-Operative Expenses

- 332,937

Others

Gratuity (Funded)

- 206,928

7,981,530 539,865

NOTE : 2.0- Trade Receivables

Outstanding for a period exceeding six months

Unsecured, Considered Good

- -

Doubtful

- -

Less: Provision for doubtful receivables

- -

Other Receivables

Unsecured, Considered Good

- 2,760,731

Doubtful

- -

Less: Provision for doubtful receivables

- 2,760,731

- 2,760,731



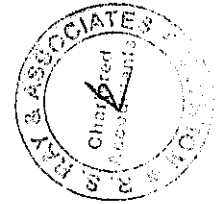
USHA MARTIN EDUCATION PRIVATE LIMITED

Notes forming part of Balance Sheet

Note- 1.7: Fixed Assets

(Amount in Rs.)

	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK	
	As at 1st April, 2013	Additions during the Period	Sales/Adjustments during the Year	As at 31st Mar, 2014	As at 1st April, 2013	For the Period	Sales/Adjustments during the Year	As at 31st Mar, 2014
	Rs	Rs	Rs	Rs.	Rs.	Rs.	Rs.	Rs.
A. Tangible Assets								
Electrical Fittings	260,573	-	260,573	-	51,358	1,815	53,173	-
Office Equipments	276,961	-	276,961	-	30,027	2,187	32,214	-
Air-Conditioner	221,650	-	221,650	-	28,988	1,760	30,748	-
Computer	1,081,598	40,624	1,122,222	-	55,821	30,368	86,189	-
Books	482,121	-	482,121	-	433,488	23,033	456,521	-
Furniture and Fixtures	4,986,369	12,300	4,998,669	-	795,781	52,228	848,009	-
(A)	7,309,272	52,924	7,362,196	-	1,395,463	111,391	1,506,855	-
Previous Year	5,807,869	1,501,403	-	7,309,272	876,262	519,201	-	5,913,809
B. Intangible Assets								
Software	965,150	-	965,150	-	429,589	53,761	483,350	-
(B)	965,150	-	965,150	-	429,589	53,761	483,350	-
Previous Year	954,548	10,602	-	965,150	108,658	320,931	-	535,561
Total (A) + (B)	8,274,422	52,924	8,327,346	-	1,825,052	165,152	1,990,205	-
Previous Year	6,762,417	1,512,005	-	8,274,422	984,920	840,132	1,825,052	6,449,370



USHA MARTIN EDUCATION PRIVATE LIMITED

Notes forming part of Balance Sheet

(Amount in Rs.)

As at 31.03.2014

As at 31.03.2013

NOTE : 2.1- Cash and Cash Equivalents

(a) Cash on Hand	1,005	17,362
(b) Balances with Banks In current account	63,665	559,675
	<u>64,670</u>	<u>577,037</u>

NOTE : 2.2- Short Term Loans and Advances

Advance Income Tax (net of provision Rs. 8,85,729) (Previous Year - Rs. 80,000)	801,636	1,426,924
Advance against supply of Goods and Services Unsecured, Considered good	-	866,431
Advances to Employees Unsecured, Considered good	-	202,514
Others Unsecured, Considered good	265,644	24,955
Balances with Government Authorities Service Tax Input Credit	132,627	-
	<u>1,199,907</u>	<u>2,520,824</u>

NOTE : 2.3- Other Current Assets

Unamortised Expenses Pre- Operative Expenses	332,937	332,936
	<u>332,937</u>	<u>332,936</u>



USHA MARTIN EDUCATION PRIVATE LIMITED

Notes forming part of Statement of Profit & Loss

(Amount in Rs.)

For the year ended 31.03.2014 For the year ended 31.03.2013

NOTE : 2.4- Revenue From Operations

Sale of Service (Learning Solution)	5,280,920	38,100,000
Licence Fees	833,334	-
	6,114,254	38,100,000

NOTE : 2.5- Other Income

Interest Income (refer note- 1 below)	553,692	271,624
Profit on Sale of Business	3,101,976	-
Other Non- Operating Income (net of expenses directly attributable to such income) (refer note- 2 below)	54,563	99,319

Note:

(1) Interest Income comprises of :

Interest from Bank on deposit	553,692	102,124
Interest on Income tax refund	-	169,500
	553,692	271,624

(2) Other Non- Operating Income comprises of :

Liabilities no longer written back	54,563	93,088
Miscellaneous receipts (net of expenses directly attributable- Nil)	-	6,231
	54,563	99,319

NOTE : 2.6- Employee Benefit expenses

Salaries and Bonus	2,539,181	5,962,417
Contribution to Provident Fund and other Funds	94,269	671,688
Staff Welfare Expenses	36,043	228,744
	2,669,493	6,862,849

NOTE : 2.7- Operating and Administrative Expenses

Travelling and Conveyance	390,093	3,640,829
Communication	94,435	548,579
Power	131,860	972,907
Maintenance expenses	123,171	1,179,903
Hire Charges	-	196,921
Computer Consumables	121,280	321,220
Co-Curricular Activities	-	930,310
Professional and Consultancy charges	319,925	7,343,534
Infrastructure Charges	200,000	-
Marketing and Advertisement	171,514	7,643,297
Service Charges	48,298	344,162
Business Development	2,524	16,229
Printing and Stationery	55,948	372,776
Facility Management Services	532,746	4,872,280
Subscription	301	66,000
Auditors' Remuneration	20,000	30,000
Rates and Taxes	620,920	82,300
Loss on sale of Fixed Assets	54,563	-
Bank Charges	2,101	8,336
Sundry Balances written off	-	428
Pre- operative Expenses written off	332,936	332,936
Miscellaneous Expenses	63,581	1,348,050
	3,286,196	30,250,997



USHA MARTIN EDUCATION PRIVATE LIMITED

Note- 2.8:

1. Significant Accounting Policies and Notes on Accounts

a. Basis of preparation of Financial Statements

The financial statements have been prepared under the historical cost convention in accordance with the Generally Accepted Accounting Principles (GAAP) and comply with the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006, and the provisions of the Companies Act, 1956 as adopted consistently by the Company. All income and expenditure having a material bearing on the financial statements are recognized on accrual basis.

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

b. Fixed Assets

Fixed Assets have been stated at cost less depreciation.

c. Depreciation

Depreciation ((including amortization) on fixed assets is provided using straight-line method (SLM) at the rates prescribed in schedule XIV of the Companies Act 1956, other than Computer Software which is amortized under SLM over a period of three years.

Further individual assets costing less than Rupees five thousand are depreciated in full in the year of Purchase.

d. Provident Fund

Contribution to Provident Fund as defined contribution scheme is made at the prescribed rates to the Provident Fund Commissioner and is charged to the Statement of Profit & Loss. There is no other obligation other than the contribution payable.

e. Employee Benefits

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”. However as on 31st March, 2014, the actuarial valuation was not done as the Company do not have any employee on roll as on that date.

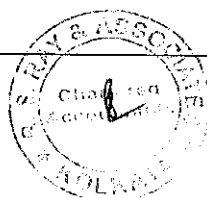


- 2) During the year, Company has changed its business model to licensing and consultancy and sold off its school management business 'as a going concern' to Usha Breco Education Infrastructure Limited. The sale was done on consideration as the Board of Directors deemed appropriate on the basis of independent valuation undertaken by a firm of Chartered Accountants.

However, it continues to own its 'Usha Martin School' brands and earn license fees by licensing the said brands to Usha Martin Schools.

- 3) Defined Benefit Plans / Long Term Compensated Absences – as per Actuarial Valuations as on March 31, 2014 and recognized in the financial statements in respect of Employee Benefit Schemes.

I	Components Employer Expense	Gratuity (Funded)
1	Current Service Cost	-
		59,506
2	Interest Cost	-
		4,810
3	Expected Return on Plan Assets	-
		-
4	Curtailment Cost / (Credit)	-
		-
5	Settlement Cost / (Credit)	-
		-
6	Past Service Cost	-
		-
7	Actuarial Losses / (Gains)	-
		(12,987)
8	Total expense recognized in the Statement of Profit & Loss	-
		51,329
II	Actuarial Returns for the period ended March, 2014	
III	Net Asset / (Liability) recognized in Balance Sheet as at March 31, 2014	
1	Present Value of Defined Benefit Obligation	-
		1,11,452
2	Fair Value on Plan Assets	-
		2,06,928
3	Status [Surplus/(Deficit)]	-
		95,476
4	Unrecognized Past Service Cost	-
		-
5	Net Asset/(Liability) recognized in Balance Sheet	-
		95,476
IV	Change in Defined Benefit Obligations (DBO) during the year ended March 31, 2014	
1	Present Value of DBO at the Beginning of Period	-
		60,123
2	Current Service Cost	-
		59,506
3	Interest Cost	-
		4,810
4	Curtailment Cost / (Credit)	-
		-
5	Settlement Cost / (Credit)	-
		-
6	Plan Amendments	-
		-



7	Acquisitions	-
8	Actuarial (Gains)/Losses	-
9	Benefits Paid	(12,987)
10	Present Value of DBO at the End of Period	1,11,452

V	Change in Fair Value of Assets during the year ended March 31, 2014	
1	Plan Assets at the Beginning of Period	-
2	Acquisition Adjustment	-
3	Expected Return on Plan Assets	-
4	Actuarial Gains/(Losses)	-
5	Actual Company Contribution	-
6	Benefits Paid	2,06,928
7	Present Value of DBO at the End of Period	2,06,928

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

Compensatory Absence

Actuarial Assumptions	31.03.2013
1) Discount Rate (%)	8.25% p.a.
2) Rate of Increase in Salaries	5.00% p.a.
3) Expected Return on Plan Assets (%)	N.A.
4) Mortality	LIC 94-96 ultimate
5) Withdrawal Rate	2.00% p.a.

4) Taxation

Current Tax in respect of taxable income is provided based on computation of tax as per taxation laws under the Income Tax Act, 1961. Deferred tax is recognized at substantively enacted tax rates, subject to the consideration of prudence, on timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Assets are not recognized unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Tax credit on Minimum Alternate Tax (MAT) is recognized when there is convincing evidence of its reliability against future normal tax liability.



5) 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.

6) Remuneration to Auditors:

Statutory Audit Fees: Rs.10,000/-

Tax Audit Fees : Rs.10,000/-

7) Additional Information required under Part II of Schedule VI of the Companies Act, 1956 to the extent not applicable is not provided.

8) There are no Micro, Small and Medium Enterprises to whom Company owes dues which are outstanding for more than 45 days as on 31st March, 2014 as identified on the basis of information available with the Company.

9) Related Party Disclosures:

Name of Related Parties:

Usha Martin Education & Solutions Ltd.
Mr. Debjit Bhattacharya
Mr. Rahul Choudhary
Mr. Ravi Goenka

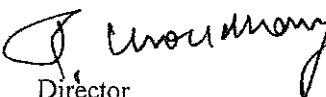
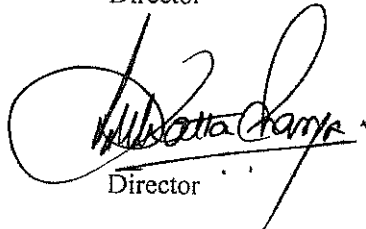
Relationship

Holding Company
Director
Director
Director

On behalf of the Board



Place: Kolkata
Dated: 26th May, 2014


Director

Director

Cash Flow Statement for the Year ended 31st March, 2014

	For the year ended 31st March, 2014		For the year ended 31st March, 2013	
	Rs.	Rs.	Rs.	Rs.
A. Cash flow from Operating Activities :				
Profit after Non- recurring Items and before Taxation		3,703,645		516,965
Adjustments for :				
Depreciation	165,151		840,132	
Profit/Loss on Sale of Fixed Assets	54,563		-	
Profit from sale of Business	(3,101,976)		-	
Interest Income	(553,692)		(271,624)	
Provisions/Liabilities no longer required written back	(54,563)		(93,088)	
Provision for Gratuity/Leave Encashment	-		185,069	
Bad Debts / Sundry balances written off	-		428	
Pre-Operative Expenses written-off	332,936		332,936	
		<u>(3,157,581)</u>		<u>993,853</u>
Operating profit before working capital changes		546,064		1,510,818
Working Capital Changes				
Increase in Trade and other receivables	(8,059,696)		(1,780,807)	
Increase in Current Liabilities and Other Provisions	(1,121,643)		2,095,925	
		<u>(9,181,339)</u>		<u>315,118</u>
Cash generated from operations		(8,635,275)		1,825,936
Direct taxes (paid)/refund (Net)		122,140		(100,000)
Net Cash Flow from Operating Activities		<u>(8,513,135)</u>		<u>1,725,936</u>
B. Cash flow from Investing Activities :				
Purchase of Fixed Assets	(52,924)		(1,512,005)	
Proceeds from Sale of Business	7,500,000		-	
Interest received	553,692		271,624	
		<u>8,000,768</u>		<u>(1,240,381)</u>
Net Cash from Investing Activities before Non-recurring items		8,000,768		(1,240,381)
Net cash used in Investing Activities		<u>8,000,768</u>		<u>(1,240,381)</u>
C. Cash flow from Financing Activities :				
Finance Cost	-		-	
Increase in Share Capital	-		-	
		<u>-</u>		<u>-</u>
Net Cash used in Financing Activities		<u>-</u>		<u>-</u>
Net increase in cash and cash equivalents during the year (A+B+C)		<u>(512,367)</u>		<u>485,555</u>
Cash and Cash Equivalents at the beginning of the year (Refer Note 2.1 to Accounts)	577,037		91,482	
Cash and Cash Equivalents at the end of the year (Refer Note 2.1 to Accounts)	<u>64,670</u>		<u>577,037</u>	
		<u>(512,367)</u>		<u>485,555</u>

- 1) The above Cash Flow Statement has been prepared under the Indirect method.
- 2) Previous year's figures have been re grouped or re arranged, wherever necessary
- 3) Cash & Cash equivalents at the Balance Sheet date are available for use

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

For R.S.Ray & Associates
Chartered Accountants

Chandi Prosad Bagchi
Partner
Membership No: 052626



On behalf of the Board

[Signature]
Director
[Signature]
Director

Kolkata
Dated: 26th May, 2014