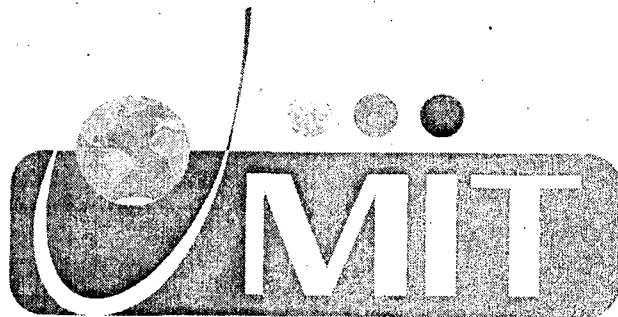


12TH ANNUAL REPORT 2009

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USHA MARTIN INFOTECH LIMITED

12TH ANNUAL REPORT 2009

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CONTENTS

NOTICE	3
DIRECTORS' REPORT	6
REPORT ON CORPORATE GOVERNANCE	9
AUDITOR'S REPORT	17
BALANCE SHEET	20
PROFIT & LOSS ACCOUNT	21
SCHEDULES TO ACCOUNTS	22
CASH FLOW STATEMENT	34



BOARD OF DIRECTORS

Mr. P. Jhavar

- *Chairman*

Mr. R. Jhavar

Mr. T. Khaitan

Mr. S. K. Barasia

Dr. Saugata Banerjee

Mr. A. Sen

- *(Resigned with effect from 1st March, 2009)*

Mr. Debjit Bhattacharya

- *Whole-time Director (with effect from 1st March, 2009)*

Mr. R. Choudhary

Sir Stephen Waley-Cohen Bt.

COMPANY SECRETARY

Dr. R. N. Chakraborty

REGISTERED OFFICE

Mangal Kalash

2A, Shakespeare Sarani

Kolkata-700 071

Phone : 033-3980 0300

Fax : 033-3980 0400

E-mail : investors@umitl.co.in

REGISTRAR AND TRANSFER AGENT

MCS LTD.

77/2A, Hazra Road

Kolkata - 700 029

Ph. : 2476 7350 to 54

Fax : 2474 7674

AUDITORS

S. Swarup & Co.

21, Hemanta Basu Sarani

3rd Floor, Room No. 303

Kolkata - 700 001

BANKERS

The Hongkong & Shanghai Banking Corporation Ltd.

IndusInd Bank Ltd.

ICICI Bank Ltd.

Axis Bank Ltd.

NOTICE TO THE MEMBERS

NOTICE is hereby given that the 12th ANNUAL GENERAL MEETING of the members of the Usha Martin Infotech Limited will be held on Friday 7th day of August, 2009 at 10.00 A.M. at "Sripati Singhania Hall", Rotary Sadan, 94/2, Jawaharlal Nehru Road, Kolkata-700 020 to transact the following business:

Ordinary Business

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2009, Profit & Loss Account for the year ended on that date and Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Mr Trivikram Khaitan who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a director in place of Mr Shiva Kumar Barasia who retires by rotation and being eligible, offers himself for reappointment.
4. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s. S Swarup & Co., Chartered Accountants, be and are hereby appointed as the Auditors of the Company to hold office until the conclusion of the next Annual General Meeting and that their remuneration be determined by the Board of Directors."

Special Business

To consider and, if thought fit, to pass with or without modification(s), the following resolution.

5. As an Ordinary Resolution:

"RESOLVED THAT pursuant to Sections 269, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956 the Company hereby approves the appointment of Mr. Debjit Bhattacharya as a Whole-time Director of the Company for a period of two years with effect from 1st March 2009, upon the terms and conditions set out in the draft Agreement submitted to this meeting and, for identification, signed by a Director thereof, which agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary, subject to such approvals as may be required, the terms and conditions of the said appointment and/or Agreement in such manner as may be agreed to between the Board of Directors and Mr. Bhattacharya."

By Order of the Board of Directors,

Registered Office:
2A Shakespeare Sarani
Kolkata-700 071
Dated: 15th May 2009

R. N. Chakraborty
Company Secretary

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and, in case of a poll, vote instead of himself and a proxy need not be a member of the Company.
2. Proxies in order to be effective must be received by the Company not later than 48 hours before the commencement of the meeting.
3. The related Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed.
4. The Register of Members and the Share Transfer Book of the Company will remain closed from 24th July, 2009 to 7th August, 2009 (both days inclusive).
5. Members are requested to intimate to the Company queries, if any, on the Accounts at least 10 days before the meeting to enable the management to keep the required information available at the meeting.
6. All the documents referred to in the Notice and Explanatory Statement above are open for inspection at the Registered Office of the Company from 10 AM to 12 Noon on all working days upto the date immediately preceding the date of Annual General Meeting or any adjournment(s) thereof, and also at the Meeting.
7. Members are requested to bring their copy of Annual Report to the meeting.
8. Appointment/Reappointment of Directors:

Mr. Trivikram Khaitan and Mr S K Barasia, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for reappointment. The information/details to be provided under Corporate Governance Code for the aforesaid directors are as under.

Mr. Trivikram Khaitan

Mr. Trivikram Khaitan, aged about 44 years, is a practicing Advocate by profession since 1995. He is associated with Messrs Khaitan & Co., Advocates, Notaries, Patents & Trade Mark Attorneys. Mr Khaitan is a member of West Bengal Bar Council and Incorporated Law Society of Calcutta. He is on the Board of Tandem Fiscal Services Limited, Uttam Fiscal Services Limited and Khaitan Consultants Limited.

Mr. Shiva Kumar Barasia

Mr. Shiva Kumar Barasia, aged 71 years, is a Fellow Member of the Institute of The Cost & Works Accountants of India having about 49 years of experience in the field of Administration, Finance and General Management in various manufacturing units. He is also a Director on the Boards of Usha Breco Limited, Usha Martin Ventures Ltd., Prashant Investments Limited, Shauma Vanijya Pratishthan Limited, Usha Martin Finance Limited and Web Development Company Limited. He is a member of the company's Remuneration Committee.

Explanatory Statement under Section 173(2) of the Companies Act 1956

Explanatory Statement under Section 173(2) of the Companies Act, 1956 for Item Nos. 5 of the accompanying Notice is as under:

Item No. 5

Mr Debjit Bhattacharya was appointed as a Whole-time Director on the Board of the Company with effect from 1st March 2009 for a period of 2 years subject to the approval of the members at the ensuing Annual General Meeting of the Company and other requisite approvals, if any. Mr Bhattacharya is an Associate Member of The Institute of The Cost & Works Accountants of India with more than 15 years of experience. He has worked in various industry verticals, including IT industry. With his sound knowledge in US GAAP, India GAAP and experience in handling of banks, financial institutions and other statutory bodies, services of Mr Bhattacharya will be of immense value to the Company.

The draft agreement proposed to be entered into between the Company and Mr. Bhattacharya, inter alia, contains the following terms and conditions:

1. Salary: Total remuneration by way of salary, perquisites and other allowances payable to Mr. Debjit Bhattacharya shall not exceed Rs.12 lakhs per annum (Rupees Twelve Lakhs only per annum). Salary includes basic, house rent allowance, conveyance, special allowance, telephone, medical, attire, books & periodicals, leave travel allowance etc. He is also entitled to contribution to Provident Fund, Leave encashment and Gratuity payment.
2. Minimum Remuneration : Where in any financial year, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary as specified above.
3. Period of Appointment: The appointment is for a period of 2 years with effect from 1st March 2009.
4. The Agreement may be terminated by either party giving to the other three calendar months' notice or the Company paying three months' salary in lieu of notice.
5. The terms and conditions of appointment and/or Agreement may be altered and varied from time to time by the Board as it may, in its discretion, deem fit, within the maximum amount payable to whole-time directors in accordance with Schedule XIII to the Companies Act, 1956

The said draft is available for inspection at the Registered Office of the Company on any working day up to the date immediately preceding the date of the 12th Annual General Meeting between 10 AM and 12 Noon also at the Meeting.

Your Directors recommend the resolution for approval of the members.

None of the Directors of the Company is in any way concerned or interested in the Resolution No. 5 other than Mr Debjit Bhattacharya, which pertains to his appointment and remuneration payable to him.

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DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting the 12th Annual Report, together with the Audited Statement of Accounts of the Company for the financial year ended 31st March, 2009.

Financial Results:

	Year Ended 31st March, 2009	(Rs in '000) Year Ended 31st March, 2008
Gross Income	282,83	57,61
Gross Profit/(Loss) before Interest and Depreciation	61,23	21,38
Less Interest	22	—
Less Depreciation	16,14	1,72
Profit / (Loss) for the year	44,87	19,66
Less Provision for Tax (Net)	86	32
Profit / (Loss) After Tax	44,01	19,34
Profit / (Loss) brought from previous Year	—	—
Amount Available for Appropriation	44,01	19,34
Dividend	—	—
Transfer (to) / from Reserves and Surplus	(44,01)	(19,34)
Balance Carried to Balance Sheet	—	—

Management Discussion & Analysis

Financial Review:

During the year, the revenue of the Company has increased by 390% (to Rs. 282.83 lakhs) as compared to last year. The gross profit has increased by 128%. The growth in gross profit would have been more but for the start-up expenses incurred for the new learning centers. In spite of higher depreciation charges of Rs 16.14 lakhs in 2008-09 as compared to only Rs 1.72 lakhs in 2007-08, the Company recorded a profit after tax of Rs 44.01 lakhs as compared to Rs 19.34 lakhs in the preceding year. During the year, the Company has incurred capital expenditure of Rs 143 lakhs and the entire amount was provided by internal generation. The Company continues to be debt-free.

Dividend

In order to conserve cash to fund the future expansion, your Directors have decided not to recommend any dividend for the current financial year.

Business Review

Learning Business

During the year, the learning business division has completed its first full year of operation. In education, your Company has identified a new area for future growth. As a brand building exercise, the learning business division had to incur significant amount towards advertising, marketing etc but inspite of these, it recorded a segment profit of Rs 24.92 lakhs on revenue of Rs 230.88 lakhs.

As part of portfolio of educational offerings, your Company started conducting classes/trainings for formal degree courses (MBA, MCA, BBA and BCA), affiliated to Punjab Technical University.

Another centre at Patna is scheduled for commencement in June '09 with similar course offerings for which necessary infrastructure arrangements have been done. At present the learning division is operating at three centres (two at Kolkata and one at Ranchi).

Opportunities

Education & Training Business has potential growth opportunity in Eastern India. There is more opportunity for your Company to expand in Eastern India. To meet this requirement as well as to leverage Usha Martin's Brand recognition in the eastern part of India (specially in Bihar and Jharkhand), your Company is planning to set up more centres in eastern India.

Your Company will be benefited in the long run by holding on to its investments in Bonsai Networks India Private Limited and in Usha Communication Technology, BVI.

Threats

Global economic slowdown may affect the Training Industry which in turn could adversely affect the performance of the Company.

Outlook

Your Directors believe that there is an opportunity in the education and training fields in India. Accordingly, the Company started its learning solutions business. It expects to set up more centres in eastern India.

Risk & Concerns

The Company is exposed to the normal risk factors of business risk, customer concentration, economic cycle, industry cycle effects of changes in foreign currency exchange rates, credit risk, liquidity risk, etc.

Adequacy of Internal Controls

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

Subsidiaries

The Company does not have any subsidiary.

Fixed Deposit

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

Directors

The terms of appointment of Mr A Sen, as a Whole-time Director of the Company expired with effect from 1st March 2009. Meanwhile, Mr. Sen had also submitted his resignation from the Board with effect from the same date. The Board has recorded its deep appreciation of the services rendered by Mr. Sen, during his tenure of office as a Director

Mr. Debjit Bhattacharya has been appointed as a Director of the Company with effect from 1st March 2009, in the casual vacancy caused by the resignation of Mr. Sen. Mr. Bhattacharya has also been appointed as a whole-time director of the Company with effect from the same date, subject to the approval of the members at the forthcoming annual general meeting. A suitable resolution has been incorporated in the Notice of the Annual General Meeting for this purpose.

Mr. Trivikram Khaitan and Mr. Shiv Kumar Barasia retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Corporate Governance

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

Your Company has implemented revised Clause 49 of the Listing Agreement from 1st January 2006.

The practice has also been introduced for Senior Management personnel to make disclosures to the Board of Directors relating to any material financial and commercial transactions where they have any personal interest, with a potential conflict with the interest of the Company at large.

CEO / CFO Certification

The Whole-time Director of the Company has submitted a certificate to the Board as required under Clause 49 of the Listing Agreement for the year ended 31st March 2009.

Directors' Responsibility Statement

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

- (i) That in preparation of the accounts for the financial year ended 31st March 2009, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (iv) That the Directors have prepared the accounts for the financial year ended 31st March 2009 on a 'going concern' basis.

Auditors

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

Human Resources

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

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

The particulars required to be furnished under provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, are not given as none of the employees of your Company is covered by the prescribed amount of remuneration in this regard.

Energy, Technology And Foreign Exchange Earning and Outgo

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

- (i) Parts 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 Rs. Nil

Outgo Rs. 202,554

Compliance Certificate

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

Acknowledgements

Your Directors would like to express their sincere appreciation of the co-operation and assistance received from shareholders, customers, vendors, bankers, and other business constituents for their support during the year under review. Your Directors also wish to place on record 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 : 15th May, 2009

Prashant Jhawar

Debjit Bhattacharya

Chairman

Whole-time Director

REPORT ON CORPORATE GOVERNANCE

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

1. BOARD OF DIRECTORS

The Board of Directors of the Company consists of one Non-Executive Chairman, six Non-Executive Directors and one Executive Director. The Board comprised of 4 Independent Directors out of total 8 members.

Composition of the Board of Directors as on 31 st March, 2009

Name	Designation	No. of Outside Directorship held @	No. of Outside Committee position held @ Member Chairman	No. of Equity Shares held
Mr. P Jhavar	Chairman/Non-Executive/Dependent	4	2	134,220
Mr. R Jhavar	Non Executive/ Dependent	5	2	36,957
Mr. S K Barasia	Non Executive/ Dependent	6	-	200
Mr. T Khaitan	Non Executive/ Independent	3	-	-
Dr. Saugata Banerjee	Non Executive / Independent	1	-	530,800
Mr. Rahul Choudhary	Non Executive / Independent	-	-	-
Sir Stephen Waley Cohen Bt.	Non Executive / Independent	-	-	-
Mr. Debjit Bhattacharya*	Whole-time Director, Executive	-	-	-

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

*Mr. Debjit Bhattacharya was appointed as a Whole-time Director of the Company with effect from 1st March 2009 at the Board meeting held on 13th February, 2009.

Summary of Composition of the Board of Directors

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

The dates on which the Board Meetings were held are as follows:

26th May 2008, 30th June 2008, 30th July 2008, 22nd September 2008 and 31st October 2008, 29th January 2009 and 13th February 2009.

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

Director	Board Meetings Held	Board Meetings Attended	Attended Last AGM
Mr P Jhavar	7	3	Yes
Mr R Jhavar	7	4	Yes
Mr A Sen	7	7	Yes
Mr S K Barasia	7	5	Yes
Mr T Khaitan	7	6	Yes
Dr. Saugata Banerjee	7	6	Yes
Mr. Rahul Choudhary	7	7	Yes
Sir Stephen Waley Cohen Bt.	7	1	Yes